

LEGISLATIVE BILL 1154

Approved by the Governor April 14, 2008

Introduced by Raikes, 25.

FOR AN ACT relating to education; to amend sections 79-234, 79-1202, 79-1210, 79-1225, 81-1203, and 81-1204, Reissue Revised Statutes of Nebraska, sections 13-508, 13-519, and 79-201, Revised Statutes Cumulative Supplement, 2006, sections 32-546.01, 32-604, 77-3442, 79-611, 79-769, 79-1073, 79-1241.03, 79-2102, 79-2102.01, 79-2104, 79-2107, 79-2110, 79-2111, 79-2113, 79-2115, 79-2117, and 79-2118, Revised Statutes Supplement, 2007, and section 46, Legislative Bill 988, One Hundredth Legislature, Second Session, 2008; to change provisions relating to learning community coordinating councils, educational service units, budgets, tax levies, diversity plans, open enrollment, state aid, and job training grants; to require reporting by school districts; to provide for nonvoting learning community coordinating council members; to provide for an advisory committee; to harmonize provisions; and to repeal the original sections.

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

Section 1. Section 13-508, Revised Statutes Cumulative Supplement, 2006, is amended to read:

13-508 (1) After publication and hearing thereon and within the time prescribed by law, each governing body, except as provided in subsection (3) of this section, shall file with and certify to the levying board or boards on or before September 20 of each year and file with the auditor a copy of the adopted budget statement which complies with sections 13-518 to 13-522 or 79-1023 to 79-1030, together with the amount of the tax required to fund the adopted budget, setting out separately (a) the amount to be levied for the payment of principal or interest on bonds issued by the governing body and (b) the amount to be levied for all other purposes. Proof of publication shall be attached to the statements. ~~School districts that are members of a learning community~~ Learning communities shall also file a copy of such adopted budget statement with ~~the learning community coordinating council~~ on or before September 1, 2007, and member school districts on or before September 1 of each year, ~~thereafter~~. The governing body, in certifying the amount required, may make allowance for delinquent taxes not exceeding five percent of the amount required plus the actual percentage of delinquent taxes for the preceding tax year and for the amount of estimated tax loss from any pending or anticipated litigation which involves taxation and in which tax collections have been or can be withheld or escrowed by court order. For purposes of this section, anticipated litigation shall be limited to the anticipation of an action being filed by a taxpayer who or which filed a similar action for the preceding year which is still pending. Except for such allowances, a governing body shall not certify an amount of tax more than one percent greater or lesser than the amount determined under section 13-505.

(2) Each governing body shall use the final adjusted values as provided by the county assessor pursuant to section 13-509 for the current year in setting or certifying the levy. Each governing body may designate one of its members to perform any duty or responsibility required of such body by this section.

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

(b) ~~A school district which is a member of a learning community~~ shall do such filing and certification on or before September 1 of each year.

Sec. 2. Section 13-519, Revised Statutes Cumulative Supplement, 2006, is amended to read:

13-519 (1)(a) Subject to ~~subdivision (1)(b)~~ subdivisions (1)(b) and (c) of this section, for all fiscal years beginning on or after July 1, 1998, no governmental unit shall adopt a budget containing a total of budgeted restricted funds more than the last prior year's total of budgeted restricted funds plus allowable growth plus the basic allowable growth percentage of the base limitation established under section 77-3446. For the second fiscal year in which a county will receive a full year of receipts from the tax imposed in sections 77-27,223 to 77-27,227, the prior year's total of restricted funds shall be the prior year's total of restricted funds plus the total receipts from the tax imposed in sections 77-27,223 to 77-27,227 in the prior year. If a governmental unit transfers the financial responsibility of providing

a service financed in whole or in part with restricted funds to another governmental unit or the state, the amount of restricted funds associated with providing the service shall be subtracted from the last prior year's total of budgeted restricted funds for the previous provider and may be added to the last prior year's total of restricted funds for the new provider. For governmental units that have consolidated, the calculations made under this section for consolidating units shall be made based on the combined total of restricted funds, population, or full-time equivalent students of each governmental unit.

(b) For all fiscal years beginning on or after July 1, 2005, the last prior year's total of budgeted restricted funds shall be increased for a community college area by adding to such area's fiscal year base-year revenue the amount of revenue to be collected under subdivision (2)(c) of section 85-1517 that is in excess of the amount budgeted under this subdivision in the prior fiscal year.

(c) For all fiscal years beginning on or after July 1, 2008, educational service units may exceed the limitations of subdivision (1)(a) of this section to the extent that one hundred ten percent of the needs for the educational service unit calculated pursuant to section 79-1241.03 exceeds the budgeted restricted funds allowed pursuant to subdivision (1)(a) of this section.

(2) A governmental unit may exceed the limit provided in subdivisions (1)(a) and (b) of this section for a fiscal year by up to an additional one percent upon the affirmative vote of at least seventy-five percent of the governing body.

(3) A governmental unit may exceed the applicable allowable growth percentage otherwise prescribed in this section by an amount approved by a majority of legal voters voting on the issue at a special election called for such purpose upon the recommendation of the governing body or upon the receipt by the county clerk or election commissioner of a petition requesting an election signed by at least five percent of the legal voters of the governmental unit. The recommendation of the governing body or the petition of the legal voters shall include the amount and percentage by which the governing body would increase its budgeted restricted funds for the ensuing year over and above the current year's budgeted restricted funds. The county clerk or election commissioner shall call for a special election on the issue within fifteen days after the receipt of such governing body recommendation or legal voter petition. The election shall be held pursuant to the Election Act, and all costs shall be paid by the governing body. The issue may be approved on the same question as a vote to exceed the levy limits provided in section 77-3444.

(4) In lieu of the election procedures in subsection (3) of this section, any governmental unit may exceed the allowable growth percentage otherwise prescribed in this section by an amount approved by a majority of legal voters voting at a meeting of the residents of the governmental unit, called after notice is published in a newspaper of general circulation in the governmental unit at least twenty days prior to the meeting. At least ten percent of the registered voters residing in the governmental unit shall constitute a quorum for purposes of taking action to exceed the allowable growth percentage. If a majority of the registered voters present at the meeting vote in favor of exceeding the allowable growth percentage, a copy of the record of that action shall be forwarded to the Auditor of Public Accounts along with the budget documents. The issue to exceed the allowable growth percentage may be approved at the same meeting as a vote to exceed the limits or final levy allocation provided in section 77-3444.

Sec. 3. Section 32-546.01, Revised Statutes Supplement, 2007, is amended to read:

32-546.01 (1) Each learning community shall be governed by a learning community coordinating council consisting of eighteen voting members, with twelve members elected on a nonpartisan ballot from six numbered election districts and with six members appointed from such election districts pursuant to this section. Each voter shall be allowed to cast votes for one candidate to represent the election district in which the voter resides. The two candidates receiving the most votes shall be elected. A candidate shall reside in the election district for which he or she is a candidate. No primary election for the office of learning community coordinating council shall be held.

(2) The initial elected members shall be elected at the statewide general election immediately following the certification of the establishment of the learning community, and subsequent members shall be elected at subsequent statewide general elections. Except as provided in this section, such elections shall be conducted pursuant to the Election Act.

(3) Vacancies in office for elected members shall occur as set forth in section 32-560. Whenever any such vacancy occurs, the remaining elected members of such council shall appoint an individual residing within the geographical boundaries of the election district for the balance of the unexpired term.

(4) Members elected to represent odd-numbered districts in the first election for the learning community coordinating council shall be elected for two-year terms. Members elected to represent even-numbered districts in the first election for the learning community coordinating council shall be elected for four-year terms. Members elected in subsequent elections shall be elected for four-year terms and until their successors are elected and qualified.

(5) The appointed members shall be appointed in November of each even-numbered year after the general election. Appointed members shall be school board members of school districts in the learning community either elected to take office the following January or continuing their current term of office for the following two years. For learning communities to be established the following January pursuant to orders issued pursuant to section 79-2102, the Secretary of State shall hold a meeting of the school board members of the school districts in such learning community to appoint one member from such school boards to represent each of the election districts on the coordinating council of such learning community. For subsequent appointments, the current appointed members of the coordinating council shall hold a meeting of the school board members of such school districts to appoint one member from such school boards to represent each of the election districts on the coordinating council of the learning community. The appointed members shall be selected by the school board members of the school districts in the learning community who reside in the election district to be represented pursuant to a secret ballot, shall reside in the election district to be represented, and shall be appointed for two-year terms and until their successors are appointed and qualified.

(6) Vacancies in office for appointed members shall occur upon the resignation, death, or disqualification from office of an appointed member. Disqualification from office shall include ceasing membership on the school board for which membership qualified the member for the appointment to the learning community coordinating council or ceasing to reside in the election district represented by such member of the learning community coordinating council. Whenever such vacancy occurs, the remaining appointed members shall hold a meeting of the school board members of the school districts in such learning community to appoint a member from such school boards who lives in the election district to be represented to serve for the balance of the unexpired term.

(7) Each learning community coordinating council shall also have a nonvoting member from each member school district which does not have either an elected or an appointed member who resides in the school district on the council. Such nonvoting members shall be appointed by the school board of the school district to be represented to serve for two-year terms, and notice of the nonvoting member selected shall be submitted to the Secretary of State by such board prior to December 31 of each even-numbered year. Each such nonvoting member shall be a resident of the appointing school district and shall not be a school administrator employed by such school district. Whenever a vacancy occurs, the school board of such school district shall appoint a new nonvoting member and submit notice to the Secretary of State and to the learning community coordinating council.

(8) Members of a learning community coordinating council shall take office on the first Thursday after the first Tuesday in January following their election or appointment, except that members appointed to fill vacancies shall take office immediately following administration of the oath of office. Each voting member shall be paid a per diem in an amount determined by such council up to two hundred dollars per day for official meetings of the council and the achievement subcouncil for which he or she is a member, up to a maximum of twelve thousand dollars per fiscal year, and shall be eligible for reimbursement of reasonable expenses related to service on the learning community coordinating council as provided in sections 81-1174 to 81-1177.

Sec. 4. Section 32-604, Revised Statutes Supplement, 2007, is amended to read:

32-604 (1) Except as provided in subsection (2) or (4) of this section, no person shall be precluded from being elected or appointed to or holding an elective office for the reason that he or she has been elected or appointed to or holds another elective office.

(2) No person serving as a member of the Legislature or in an elective office described in Article IV, section 1 or 20, or Article VII,

section 3 or 10, of the Constitution of Nebraska shall simultaneously serve in any other elective office, except that such a person may simultaneously serve in another elective office which is filled at an election held in conjunction with the annual meeting of a public body.

(3) Whenever an incumbent serving as a member of the Legislature or in an elective office described in Article IV, section 1 or 20, or Article VII, section 3 or 10, of the Constitution of Nebraska assumes another elective office, except an elective office filled at an election held in conjunction with the annual meeting of a public body, the office first held by the incumbent shall be deemed vacant.

(4) No person serving in a high elective office shall simultaneously serve in any other high elective office, except that a county attorney may serve as the county attorney for more than one county if appointed under subsection (2) of section 23-1201.01.

(5) Notwithstanding subsections (2) through (4) of this section, any person holding more than one high elective office upon September 13, 1997, shall be entitled to serve the remainder of all terms for which he or she was elected or appointed.

(6) For purposes of this section, (a) elective office has the meaning found in section 32-109 and includes an office which is filled at an election held in conjunction with the annual meeting of a public body created by an act of the Legislature but does not include a member of a learning community coordinating council appointed pursuant to subsection (5) or (7) of section 32-546.01 and (b) high elective office means a member of the Legislature, an elective office described in Article IV, section 1 or 20, or Article VII, section 3 or 10, of the Constitution of Nebraska, or a county, city, learning community, or school district elective office.

Sec. 5. Section 77-3442, Revised Statutes Supplement, 2007, is amended to read:

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

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

(b) For each fiscal year, learning communities may levy a maximum levy for the general fund budgets of member school districts equal to the local effort rate prescribed in section 79-1015.01 for such fiscal year. The proceeds from the levy pursuant to this subdivision shall be distributed pursuant to section 79-1073.

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

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

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

(f) For school fiscal year 2002-03 through school fiscal year 2007-08, school districts and multiple-district school systems may, upon a three-fourths majority vote of the school board of the school district, the board of the unified system, or the school board of the high school district of the multiple-district school system that is not a unified system, exceed the maximum levy prescribed by subdivision (2)(a) of this section in an

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

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

(h) For each fiscal year, learning communities may levy a maximum levy of five cents on each one hundred dollars of taxable property subject to the levy for elementary learning center facilities and for up to fifty percent of the estimated cost for capital projects approved by the learning community coordinating council pursuant to section 79-2111.

(3) Community colleges may levy a maximum levy calculated pursuant to the Community College Foundation and Equalization Aid Act on each one hundred dollars of taxable property subject to the levy.

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

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

(c) In addition, natural resources districts located in a river basin, subbasin, or reach that has been determined to be fully appropriated pursuant to section 46-714 or designated as overappropriated pursuant to section 46-713 by the Department of Natural Resources shall also have the power and authority to levy a tax equal to the dollar amount by which their restricted funds budgeted to administer and implement ground water management activities and integrated management activities under the Nebraska Ground Water Management and Protection Act exceed their restricted funds budgeted to administer and implement ground water management activities and integrated management activities for FY2005-06, not to exceed three cents on each one hundred dollars of taxable valuation on all of the taxable property within the district for fiscal year 2006-07 and each fiscal year thereafter through fiscal year 2011-12.

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

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

(b) Incorporated cities and villages which are within the boundaries of a municipal county may levy a maximum levy of ninety cents per one hundred dollars of taxable valuation of property subject to the levy. The maximum levy shall include amounts paid to a municipal county for county services, amounts levied to pay for sums to support a library pursuant to section 51-201, a museum pursuant to section 51-501, a visiting community nurse, home health nurse, or home health agency pursuant to section 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

(7) Sanitary and improvement districts which have been in existence

for more than five years may levy a maximum levy of forty cents per one hundred dollars of taxable valuation of property subject to the levy, and sanitary and improvement districts which have been in existence for five years or less shall not have a maximum levy. Unconsolidated sanitary and improvement districts which have been in existence for more than five years and are located in a municipal county may levy a maximum of eighty-five cents per hundred dollars of taxable valuation of property subject to the levy.

(8) Counties may levy or authorize a maximum levy of fifty cents per one hundred dollars of taxable valuation of property subject to the levy, except that five cents per one hundred dollars of taxable valuation of property subject to the levy may only be levied to provide financing for the county's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. The maximum levy shall include amounts levied to pay for sums to support a library pursuant to section 51-201 or museum pursuant to section 51-501. The county may allocate up to fifteen cents of its authority to other political subdivisions subject to allocation of property tax authority under subsection (1) of section 77-3443 and not specifically covered in this section to levy taxes as authorized by law which do not collectively exceed fifteen cents per one hundred dollars of taxable valuation on any parcel or item of taxable property. The county may allocate to one or more other political subdivisions subject to allocation of property tax authority by the county under subsection (1) of section 77-3443 some or all of the county's five cents per one hundred dollars of valuation authorized for support of an agreement or agreements to be levied by the political subdivision for the purpose of supporting that political subdivision's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. If an allocation by a county would cause another county to exceed its levy authority under this section, the second county may exceed the levy authority in order to levy the amount allocated.

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

(10) Property tax levies for judgments, except judgments or orders from the Commission of Industrial Relations, obtained against a political subdivision which require or obligate a political subdivision to pay such judgment, to the extent such judgment is not paid by liability insurance coverage of a political subdivision, for preexisting lease-purchase contracts approved prior to July 1, 1998, for bonded indebtedness approved according to law and secured by a levy on property, and for payments by a public airport to retire interest-free loans from the Department of Aeronautics in lieu of bonded indebtedness at a lower cost to the public airport are not included in the levy limits established by this section.

(11) The limitations on tax levies provided in this section are to include all other general or special levies provided by law. Notwithstanding other provisions of law, the only exceptions to the limits in this section are those provided by or authorized by sections 77-3442 to 77-3444.

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

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

Sec. 6. Section 79-201, Revised Statutes Cumulative Supplement, 2006, is amended to read:

79-201 (1) For purposes of this section:

(a) Prior to July 1, 2005, a child is of mandatory attendance age if the child (i) has reached seven years of age, (ii) did not reach sixteen years of age prior to July 16, 2004, and (iii) has not reached eighteen years of age; and

(b) On and after July 1, 2005, a child is of mandatory attendance age if the child (i) will reach six years of age prior to January 1 of the then-current school year, (ii) did not reach sixteen years of age prior to July 16, 2004, and (iii) has not reached eighteen years of age.

(2) Except as provided in subsection (3) of this section, every person residing in a school district within the State of Nebraska who has legal or actual charge or control of any child who is of mandatory attendance age or is enrolled in a public school shall cause such child to enroll in, if such child is not enrolled, and attend regularly a public, private, denominational, or parochial day school which meets the requirements for legal operation prescribed in Chapter 79, or a school which elects pursuant

to section 79-1601 not to meet accreditation or approval requirements, each day that such school is open and in session, except when excused by school authorities or when illness or severe weather conditions make attendance impossible or impracticable.

(3) Subsection (2) of this section does not apply in the case of any child who:

(a) Has obtained a high school diploma by meeting the graduation requirements established in section 79-729;

(b) Has completed the program of instruction offered by a school which elects pursuant to section 79-1601 not to meet accreditation or approval requirements;

(c) Has reached the age of eighteen years;

(d) Has reached the age of sixteen years and such child's parent or guardian has signed a notarized release discontinuing the enrollment of the child on a form provided by the school;

(e) (i) Will reach six years of age prior to January 1 of the then-current school year, but will not reach seven years of age prior to January 1 of such school year, (ii) such child's parent or guardian has signed an affidavit stating that the child is participating in an education program that the parent or guardian believes will prepare the child to enter grade one for the following school year, and (iii) such affidavit has been filed by the parent or guardian with the school district in which the child resides;

(f) (i) Will reach six years of age prior to January 1 of the then-current school year but has not reached seven years of age, (ii) such child's parent or guardian has signed an affidavit stating that the parent or guardian intends for the child to participate in a school which has elected or will elect pursuant to section 79-1601 not to meet accreditation or approval requirements and the parent or guardian intends to provide the Commissioner of Education with a statement pursuant to subsection (3) of section 79-1601 on or before the child's seventh birthday, and (iii) such affidavit has been filed by the parent or guardian with the school district in which the child resides; or

(g) Will not reach six years of age prior to January 1 of the then-current school year and such child was enrolled in a public school and has discontinued the enrollment according to the policy of the school board adopted pursuant to subsection (4) of this section.

(4) The board shall adopt policies allowing discontinuation of the enrollment of students who will not reach six years of age prior to January 1 of the then-current school year and specifying the procedures therefor.

(5) Each school district that is a member of a learning community shall report to the learning community coordinating council on or before September 1 of each year for the immediately preceding school year the following information:

(a) All reports of violations of this section made to the attendance officer of any school in the district pursuant to section 79-209;

(b) The results of all investigations conducted pursuant to section 79-209, including the attendance record that is the subject of the investigation and a list of services rendered in the case;

(c) The district's policy on excessive absenteeism; and

(d) Records of all notices served and reports filed pursuant to section 79-209 and the district's policy on habitual truancy.

Sec. 7. Section 79-234, Reissue Revised Statutes of Nebraska, is amended to read:

79-234 (1) An enrollment option program is hereby established to enable any kindergarten through twelfth grade Nebraska student to attend a school in a Nebraska public school district in which the student does not reside subject to the limitations prescribed in section 79-238. The option shall be available only once to each student prior to graduation unless (a) the student relocates ~~in~~ to a different resident school district, (b) the option school district merges with another district, ~~or~~ (c) the option school district is a Class I district, (d) the option would allow the student to continue current enrollment in a school district, or (e) the option would allow the student to enroll in a school district in which the student was previously enrolled as a resident student. The option student shall be given the option to attend school in another district at the time of relocation or merger or upon completion of the grades offered at the Class I district.

(2) The program shall not apply to (a) any student who resides in a Class I district which has not affiliated and which contracts or has contracted in either or both of the two prior school years with another district or districts in such student's grade level pursuant to section 79-598 or (b) any student who resides in a district which has entered into an annexation agreement pursuant to section 79-473, except that such student may

transfer to another district which accepts option students.

Sec. 8. Section 79-611, Revised Statutes Supplement, 2007, is amended to read:

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

(a) When a student attends an elementary school in his or her own district and lives more than four miles from the public schoolhouse in such district;

(b) When a student is required to attend an elementary school outside of his or her own district and lives more than four miles from such elementary school;

(c) When a student attends a secondary school in his or her own Class II or Class III school district and lives more than four miles from the public schoolhouse. This subdivision does not apply when one or more Class I school districts merge with a Class VI school district to form a new Class II or III school district on or after January 1, 1997; and

(d) When a student, other than a student in grades ten through twelve in a Class V district, attends an elementary or junior high school in his or her own Class V district and lives more than four miles from the public schoolhouse in such district.

(2) (a) The school board of any school district that is a member of a learning community shall provide free transportation for a student who resides in such learning community and attends school in such school district if (i) the student is transferring pursuant to the open enrollment provisions of section 79-2110, qualifies for free or reduced-price lunches, and lives more than one mile from the school to which he or she transfers, (ii) the student is transferring pursuant to such open enrollment provisions, ~~and the student is a student who contributes to the socioeconomic diversity of enrollment at the school building the student he or she attends, and lives more than one mile from the school to which he or she transfers,~~ (iii) the student is attending a focus school or program and lives more than one mile from the school building housing the focus school or program, or (iv) the student is attending a magnet school or program and lives more than one mile from the magnet school or the school housing the magnet program.

(b) For purposes of this subsection, a student who contributes to the socioeconomic diversity of enrollment at the school building he or she attends means (i) a student who is not a student qualifying for free or reduced-price lunches when, based upon official membership, the school building the student will attend has more students qualifying for free or reduced-price lunches than the average percentage of such students in all school buildings in the learning community or (ii) a student who is a student that qualifies for free or reduced-price lunches when, based upon official membership, the school building the student will attend has fewer students qualifying for free or reduced-price lunches than the average percentage of such students in all school buildings in the learning community. has the definition found in section 79-2110. This subsection does not prohibit a school district that is a member of a learning community from providing transportation to any intradistrict student.

(3) The transportation allowance which may be paid to the parent, custodial parent, or guardian of students qualifying for free transportation pursuant to subsection (1) or (2) of this section shall equal two hundred eighty-five percent of the mileage rate provided in section 81-1176, multiplied by each mile actually and necessarily traveled, on each day of attendance, beyond which the one-way distance from the residence of the student to the schoolhouse exceeds three miles.

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

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

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

subdivision (a) of this subsection.

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

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

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

Sec. 9. Section 79-769, Revised Statutes Supplement, 2007, is amended to read:

79-769 (1) Any one or more member school districts of a learning community may establish a ~~focus school or program~~ one or more focus programs, focus schools, or magnet schools pursuant to the diversity plan developed by the learning community coordinating council.

~~(2) Member school districts of a learning community may also establish magnet programs which may include magnet pathways across member school districts pursuant to the diversity plan developed by the learning community coordinating council.~~

(2) Focus schools, focus programs, and magnet schools may be included in pathways across member school districts pursuant to the diversity plan developed by the learning community coordinating council pursuant to section 79-2104.

(3) If multiple member school districts collaborate on a focus program, focus school, or magnet school, one member school district shall be designated as the primary school district. The primary school district shall maintain legal, financial, and academic responsibility for such focus program, focus school, or magnet school.

~~(3)~~ (4) For purposes of this section:

(a) Focus program means a program that does not have an attendance area, whose enrollment is designed so that the socioeconomic diversity of the students attending the focus program reflects as nearly as possible the socioeconomic diversity of the student body of the learning community, which has a unique curriculum with specific learning goals or teaching techniques different from the standard curriculum, and is unique and designed differently than the standard curriculum which may be housed in an existing school building, a building with other public school programs, and which may consist of either the complete education program for participating students or part of the education program for participating students;

(b) Focus school means a school that does not have an attendance area, and whose enrollment is designed so that the socioeconomic diversity of the students attending the focus school reflects as nearly as possible the socioeconomic diversity of the student body of the learning community, which has a unique curriculum with specific learning goals or teaching techniques different from the standard curriculum, and which is housed in a building that does not contain another public school program;

(c) Magnet pathway means a location in which elementary, middle, and high school magnet schools are placed;

(d) Magnet program means a program which offers coordinated elementary, middle, and high school programs and services that are unique and that have specific learning goals in addition to the standard curriculum; and

(e) (c) Magnet school means a school having a home attendance area but which reserves a portion of its capacity specifically for students from outside the attendance area who will contribute to the socioeconomic diversity of the student body of such school and which has a unique curriculum with specific learning goals or teaching techniques different from the standard curriculum; and

(f) Pathway means elementary, middle, and high school focus programs, focus schools, and magnet schools with coordinated curricula based

on specific learning goals or teaching techniques.

Sec. 10. Section 46, Legislative Bill 988, One Hundredth Legislature, Second Session, 2008, is amended to read:

For school fiscal year 2008-09 and each school fiscal year thereafter, a school district may exceed its maximum general fund budget of expenditures minus the special education budget of expenditures by a specific dollar amount for:

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

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

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

(4) Expenditures of incentive payments or base fiscal year incentive payments to be received in such school fiscal year pursuant to section 79-1011;

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

(6) A school district may exceed its applicable allowable growth rate for either (a) the first and second school fiscal years the district will be participating in Network Nebraska for the full school fiscal year or (b) school fiscal year 2008-09, if the school district participated in Network Nebraska for all of school fiscal year 2007-08, by a specific dollar amount equal to the estimated expenditures, to be made in the school fiscal year in which the district may exceed its applicable allowable growth rate, for (i) telecommunication services, (ii) access to data transmission networks that transmit data to and from the school district, and (iii) the transmission of data on such networks as such expenditures are defined by the department for purposes of the distance education and telecommunications allowance minus the dollar amount of such expenditures for the school fiscal year immediately preceding the first full school fiscal year the district participates in Network Nebraska. Districts shall estimate expenditures on forms prescribed by the department. The department shall approve, deny, or modify the estimated expenditures. Either (a) the first and second school fiscal years the district will be participating in Network Nebraska for the full school fiscal year or (b) school fiscal year 2008-09, if the school district participated in Network Nebraska for all of school fiscal year 2007-08, for the difference of the estimated expenditures for such school fiscal year for telecommunications services, access to data transmission networks that transmit data to and from the school district, and the transmission of data on such networks as such expenditures are defined by the department for purposes of the distance education and telecommunications allowance minus the dollar amount of such expenditures for the second school fiscal year preceding the first full school fiscal year the district participates in Network Nebraska; and

(7) Expenditures to pay another school district for the transfer of land from such other school district.

The state board shall approve, deny, or modify the amount allowed for any exception to the maximum general fund budget of expenditures minus the special education budget of expenditures pursuant to this section.

Sec. 11. Section 79-1073, Revised Statutes Supplement, 2007, is amended to read:

79-1073 On or before ~~October~~ September 1 for each year, each learning community coordinating council shall determine the expected amounts to be distributed to each member school district from general fund property tax receipts pursuant to subdivision (2)(b) of section 77-3442 and shall certify such amounts to each member school district and the State Department of Education. ~~Such~~ For the first three school fiscal years for which the learning community levies a common general fund property tax for school districts, such property tax receipts shall be divided among member school districts proportionally based on the greater of (1) the difference of the school district's formula need calculated pursuant to the Tax Equity and Educational Opportunities Support Act minus the sum of the state aid certified pursuant to section 79-1022 and the other actual receipts included in local system formula resources pursuant to section 79-1018.01 for the school fiscal year for which the distribution is being made or (2) the difference of the sum of the state aid certified for the school fiscal year immediately

preceding the first school fiscal year for which the learning community levies a common general fund property tax for school districts plus the product of the school district's general fund levy for such school fiscal year multiplied by the assessed valuation for such school fiscal year minus the state aid certified pursuant to section 79-1022 for the school fiscal year for which the distribution is being made. Thereafter, such property tax receipts shall be divided among member school districts proportionally based on the difference of one hundred percent of the school district's formula need calculated pursuant to section 79-1007.02 minus the sum of the state aid certified pursuant to section 79-1022 and the other actual receipts included in local system formula resources pursuant to section 79-1018.01 for the school fiscal year for which the distribution is being made, except that no school district shall receive property tax receipts in excess of the lesser of such difference or the school district's property tax request submitted to the learning community coordinating council.

Each time a learning community coordinating council distributes property tax receipts to member school districts, the amount to be distributed to each district shall be proportional based on the total amounts to be distributed to each member school district for the school fiscal year.

Sec. 12. Section 79-1202, Reissue Revised Statutes of Nebraska, is amended to read:

79-1202 The official name of each educational service unit shall be Educational Service Unit No. ... of the State of Nebraska, and the individual number of each unit shall be determined by the State Board of Education. ~~School District 55-001 of Lancaster County shall remain Educational Service Unit No. 18. School District 28-001 of Douglas County shall remain Educational Service Unit No. 19.~~ For educational service units existing on January 1, 1998, the number of the unit shall remain the same. For educational service units created by merger, the number of the unit shall be the number of one of the educational service units dissolving into the new educational service unit. For all other newly created educational service units, the number shall be any number not otherwise assigned to an existing educational service unit.

Sec. 13. Section 79-1210, Reissue Revised Statutes of Nebraska, is amended to read:

79-1210 The State Board of Education shall grant or deny any petition to change educational service unit boundaries based upon the following criteria:

- (1) The educational needs of students in the affected school districts and the affected educational service units;
- (2) The economic viability of the proposal as it relates to affected established educational service units or affected proposed educational service units;
- (3) Any community of interest among affected school districts and affected educational service units;
- (4) Geographic proximity as such would affect the ability of affected educational service units to deliver service in a cost-effective manner; and

(5) Compliance with the requirements of the Educational Service Units Act; and

~~(5) (6) In the dissolution of one or more entire educational service units, evidence of consent from each educational service unit board and two-thirds of the school boards or boards of education of member school districts representing a majority of students in each affected educational service unit.~~

For petitions that change educational service unit boundaries by transferring a learning community member district from one educational service unit to another educational service unit with existing territory in such learning community, the requirements of subdivisions (1), (2), (3), and (4) of this section shall be deemed to have been met if the affected educational service units will each have at least two member school districts after such transfer.

Sec. 14. Section 79-1225, Reissue Revised Statutes of Nebraska, is amended to read:

79-1225 (1) After the adoption of its budget statement, the board for each educational service unit, except as provided in subsection (2) of this section, may levy a tax in the amount which it requires under its adopted budget statement to be received from taxation. The levy shall be subject to the limits established by section 77-3442. The amount of such levy shall be certified by the secretary of the educational service unit board to the county board of equalization of each county in which any part of the geographical area of the educational service unit is located on or before September 20 of each year. Such tax shall be levied and assessed in the same manner as other

property taxes and entered on the books of the county treasurer. The proceeds of such tax, as collected, shall be remitted to the treasurer of the board on or before the fifteenth day of each month or more frequently as provided in section 77-1759.

(2) For fiscal year 2013-14 and each fiscal year thereafter, only an educational service unit which has two or more member school districts may levy a tax on the taxable value of the taxable property within the geographic boundaries of the educational service unit.

Sec. 15. Section 79-1241.03, Revised Statutes Supplement, 2007, is amended to read:

79-1241.03 For school fiscal year 2008-09 and each school fiscal year thereafter:

(1) One percent of the funds appropriated for core services and technology infrastructure shall be transferred to the Educational Service Unit Coordinating Council. The remainder of such funds shall be distributed pursuant to subdivisions (2) through (6) of this section;

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

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

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

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

(e) The adjusted valuation for each educational service unit shall equal the total adjusted valuation of the member school districts pursuant to section 79-1016 used for the calculation of state aid for school districts pursuant to the act for the school fiscal year for which the distribution is being calculated pursuant to this section, except that such adjusted valuation for member school districts that are also member districts of a learning community shall be reduced by fifty percent. The adjusted valuation for each learning community shall equal fifty percent of the total adjusted valuation of the member school districts pursuant to section 79-1016 used for the calculation of state aid for school districts pursuant to the act for the school fiscal year for which the distribution is being calculated pursuant to this section;

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

(g) Except as provided in subdivision (5) of this section, the statewide student allocation shall equal the difference of the sum of the amount appropriated for distribution pursuant to this section plus the product of the statewide adjusted valuation multiplied by the local effort rate minus the distance education and telecommunications allowance, base allocation, and satellite office allocation for all educational service units;

(h) The sparsity adjustment for each educational service unit and learning community shall equal the sum of one plus one-tenth of the ratio of the square miles within the boundaries of the educational service unit divided by the fall membership of the member school districts for the school fiscal year immediately preceding the school fiscal year for which the distribution

is being calculated pursuant to this section;

(i) The adjusted students for each educational service unit shall equal the fall membership ~~of the member school districts~~ for the school fiscal year immediately preceding the school fiscal year for which aid is being calculated of the member school districts that will not be members of a learning community and fifty percent of the fall membership for such school fiscal year of the member school districts that will be members of a learning community pursuant to this section multiplied by the educational service unit sparsity adjustment for the educational service unit, and the adjusted students for each learning community shall equal fifty percent of the fall membership for such school fiscal year of the member school districts multiplied by the sparsity adjustment for the learning community;

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

(k) The student allocation for each educational service unit and learning community shall equal the per student allocation multiplied by the adjusted students for the educational service ~~units,~~ unit or learning community;

(l) The needs for each educational service unit shall equal the sum of the distance education and telecommunications allowance, base allocation, satellite office allocation, and student allocation for the educational service unit and the needs for each learning community shall equal the student allocation for the learning community; and

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

(3) If an educational service unit is the result of a merger or received new member school districts from another educational service unit, such educational service unit shall, for each of the three fiscal years following the fiscal year in which the merger takes place or the new member school districts are received, receive core services and technology infrastructure funds pursuant to subdivisions (2) through (6) of this section in an amount not less than the core services and technology infrastructure funds received in the fiscal year immediately preceding the merger or receipt of new member school districts, except that if the total amount available to be distributed pursuant to subdivisions (2) through (6) of this section for such year is less than the total amount distributed pursuant to such subdivisions or sections 79-1241 and 79-1243 for the immediately preceding fiscal year, the minimum core services and technology infrastructure funds for each educational service unit pursuant to this subdivision shall be reduced by a percentage equal to the ratio of the difference of the total amount distributed pursuant to subdivisions (2) through (6) of this section or sections 79-1241 and 79-1243 for the immediately preceding fiscal year minus the total amount available to be distributed pursuant to subdivisions (2) through (6) of this section for the fiscal year in question divided by the total amount distributed pursuant to subdivisions (2) through (6) of this section or sections 79-1241 and 79-1243 for the immediately preceding fiscal year. The core services and technology infrastructure funds received in the fiscal year immediately preceding a merger or receipt of new member school districts for an educational service unit shall equal the amount received in such fiscal year pursuant to subdivisions (2) through (6) of this section or sections 79-1241 and 79-1243 by any educational service unit affected by the merger or the transfer of school districts multiplied by a ratio equal to the valuation that was transferred to or retained by the educational service unit for which the minimum is being calculated divided by the total valuation of the educational service unit transferring or retaining the territory;

(4) For fiscal years 2008-09 through 2013-14, each educational service unit which will not have any member school districts that are members of a learning community shall receive core services and technology infrastructure funds under this section in an amount not less than ninety-five percent of the total of the core services and technology infrastructure funds that the educational service unit received in the immediately preceding fiscal year either pursuant to subdivisions (2) through (6) of this section or pursuant to sections 79-1241 and 79-1243, except that if the total amount available to be distributed pursuant to subdivisions (2) through (6) of this section for such year is less than the total amount distributed pursuant to such subdivisions or sections 79-1241 and 79-1243 for the immediately preceding fiscal year, the minimum core services and technology infrastructure funds for each educational service unit pursuant to this subdivision shall be

reduced by a percentage equal to the ratio of the difference of the total amount distributed pursuant to subdivisions (2) through (6) of this section or sections 79-1241 and 79-1243 for the immediately preceding fiscal year minus the total amount available to be distributed pursuant to subdivisions (2) through (6) of this section for the fiscal year in question divided by the total amount distributed pursuant to subdivisions (2) through (6) of this section or sections 79-1241 and 79-1243 for the immediately preceding fiscal year;

(5) If the minimum core services and technology infrastructure funds pursuant to subdivision (3) or (4) of this section for any educational service unit exceed the amount that would otherwise be distributed to such educational service unit pursuant to subdivision (2) of this section, the statewide student allocation shall be reduced such that the total amount to be distributed pursuant to this section equals the appropriation for core services and technology infrastructure funds and no educational service unit receives less than the greater of any minimum amounts calculated for such educational service unit pursuant to subdivisions (3) and (4) of this section; and

(6) The State Department of Education shall certify the distribution of core services and technology infrastructure funds pursuant to subdivisions (2) through (6) of this section to each educational service unit and learning community on or before July 1, 2008, for school fiscal year 2008-09 and on or before July 1 of each year thereafter for the following school fiscal year. Any funds appropriated for distribution pursuant to this section shall be distributed in ten as nearly as possible equal payments on the first business day of each month beginning in September of each school fiscal year and ending in June. Funds distributed to educational service units pursuant to this section shall be used for core services and technology infrastructure with the approval of representatives of two-thirds of the member school districts of the educational service unit, representing a majority of the adjusted students in the member school districts used in calculations pursuant to this section for such funds. Funds distributed to learning communities shall be used for learning community purposes pursuant to sections 79-2104 and 79-2115, with the approval of the learning community coordinating council.

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

Sec. 16. Section 79-2102, Revised Statutes Supplement, 2007, is amended to read:

79-2102 On or before September 15, 2007, and on or before August 1 of each odd-numbered year following the official designation of any new city of the metropolitan class or any valid request to form a new learning community, the Commissioner of Education shall certify the establishment of a new learning community with the effective date of the first Thursday after the first Tuesday in January of the next odd-numbered year following such certification to the county clerks, election commissioners, and county assessors of the counties with territory in the new learning community, to the Property Tax Administrator, to the State Department of Education, and to the school boards of the member school districts of the new learning community. A learning community shall be established for each city of the metropolitan class and shall include all school districts for which the principal office of the school district is located in the county where the city of the metropolitan class is located and all school districts for which the principal office of the school district is located in a county that has a contiguous border of at least five miles in the aggregate with such city of the metropolitan class. A learning community may also be established ~~for one or more counties~~ at the request of the at least three school boards of if (1) all school districts for which the principal office of the school district is located in the specified county or one or more specified counties if are participating in the request and either (a) such school districts have are all sparse or very sparse as determined pursuant to the Tax Equity and Educational Opportunities Support Act or (b) have a minimum combined total of at least two thousand students, except that districts in local systems that are in the sparse cost grouping or the very sparse cost grouping as described in section 79-1007.02 need not have a minimum combined total of at least two thousand students but a learning community with fewer than two thousand students shall include at least two school districts. or (2) the school districts participating in the request have a minimum combined total of at least ten thousand students. Such requests shall be received by the Commissioner of Education on or before May 1 of each odd-numbered year.

Sec. 17. Section 79-2102.01, Revised Statutes Supplement, 2007, is

amended to read:

79-2102.01 ~~The Commissioner of Education or his or her designee shall convene a meeting of the newly elected learning community coordinating council during the month of January following the election. At such meeting, the council shall elect officers and shall begin taking the necessary steps to begin operating as a learning community. The commissioner or his or her designee shall schedule and host such meeting and shall serve as a facilitator at such meeting.~~

The Secretary of State or his or her designee shall schedule and host the first meeting of the newly elected learning community coordinating council during the month of January following the election and shall schedule and shall host at least one meeting each month for the immediately following February and March. The Secretary of State shall preside until the council elects officers designated by the bylaws. Those officers shall preside at the following meetings of such council. The Secretary of State shall serve as a facilitator at such meetings of the council through March 31 of such year as the council begins taking steps necessary to operate as a learning community.

Sec. 18. Section 79-2104, Revised Statutes Supplement, 2007, is amended to read:

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

- (1) Levy and distribute a common levy for the general funds of member school districts pursuant to sections 77-3442 and 79-1073;
- (2) Levy and distribute a common levy for the special building funds of member school districts pursuant to sections 77-3442 and 79-1073.01;
- (3) Levy for capital projects approved by the learning community coordinating council pursuant to sections 77-3442 and 79-2111;
- (4) Collect, analyze, and report data and information, including, but not limited to, information provided by a school district pursuant to subsection (5) of section 79-201;
- (5) Approve focus schools and focus programs to be operated by member school districts;
- (6) Adopt, approve, and implement an integration and a diversity plan which shall include open enrollment and may include focus schools, focus programs, and magnet schools, and pathways pursuant to section 79-2110;
- (7) Administer the open enrollment provisions in section 79-2110 for the learning community as part of a diversity plan developed by the council to provide educational opportunities which will result in increased diversity in schools across the learning community;
- (8) Annually conduct school fairs to provide students and parents the opportunity to explore the educational opportunities available at each school in the learning community and develop other methods for encouraging access to such information and promotional materials;
- (9) Develop and approve reorganization plans for submission pursuant to the Learning Community Reorganization Act;
- (10) Establish and administer elementary learning centers through achievement subcouncils pursuant to sections 79-2112 to 79-2114;
- (11) Administer the learning community funds distributed to the learning community pursuant to section 79-2111;
- (12) Approve or disapprove poverty plans and limited English proficiency plans for member school districts through achievement subcouncils established under section 79-2117;
- (13) Establish a procedure for receiving community input and complaints regarding the learning community; and
- (14) Establish a procedure to assist parents, citizens, and member school districts in accessing an approved center pursuant to the Dispute Resolution Act to resolve disputes involving member school districts or the learning community. Such procedure ~~shall~~ may include payment by the learning community for ~~such~~ some mediation services.

Sec. 19. Each learning community coordinating council shall have an advisory committee composed of the superintendent from each member school district or his or her representative. The advisory committee shall meet at least four times each year to review issues related to open enrollment and proposals for focus programs, focus schools, magnet schools, and pathways, to provide recommendations for improving academic achievement across the learning community, and to provide input to the learning community coordinating council on other issues as requested.

Sec. 20. Section 79-2107, Revised Statutes Supplement, 2007, is amended to read:

79-2107 The boundaries of all school districts for which the principal office of the school district is located in a county ~~where~~ in which a city of the metropolitan class is located and all school districts for which

the principal office of the school district is located in a county that has a contiguous border of at least five miles in the aggregate with such city of the metropolitan class shall remain as depicted on the map kept by the county clerk pursuant to section 79-490 as of March 1, 2006, for cities of the metropolitan class designated as such prior to January 2008 or as of March 1 immediately preceding the designation as a city of the metropolitan class for cities designated as such on or after January 1, 2008, until a learning community has been established for such city of the metropolitan class, except that such districts may transfer property to other such districts with the agreement of the school board of each affected district prior to the effective date for such learning community.

Sec. 21. Section 79-2110, Revised Statutes Supplement, 2007, is amended to read:

79-2110 (1)(a) ~~Each learning community coordinating council, together with its member school districts, shall develop and administer a diversity plan which may be revised from time to time. Each diversity plan shall provide for open enrollment in all school buildings in the learning community, subject to specific limitations necessary to bring about diverse enrollments in each school building in the learning community. Such limitations, for school buildings other than focus schools and programs other than focus programs, shall include giving preference at each school building first to siblings of students who will be enrolled as continuing students in such school building or program for the first school year for which enrollment is sought in such school building and then to students that contribute to the socioeconomic diversity of enrollment, as defined in section 79-611, at each building and may include establishing zone limitations in which students may access several schools other than their home attendance area school. Notwithstanding the limitations necessary to bring about diversity, open enrollment shall include providing access to students who do not contribute to the socioeconomic diversity of a school building, if, subsequent to the regular enrollment open enrollment selection process that is subject to limitations necessary to bring about diverse enrollments, capacity remains in a school building. In such a case, a student who applies students who have applied to attend such school building shall be selected to attend such school building shall be permitted to enroll at such building unless the student on a random basis up to the remaining capacity of such building. A student who has otherwise been disqualified from the school building pursuant to the school district's code of conduct or related school discipline rules shall not be eligible for open enrollment pursuant to this section. Any student who attended a particular school building in the prior school year and who is seeking education in the grades offered in such school building shall be allowed to continue attending such school building as a continuing student.~~

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

(c) For purposes of this section and section 79-611, student who contributes to the socioeconomic diversity of enrollment means (i) a student who does not qualify for free or reduced-price lunches when, based upon official membership, the school building the student will attend has more students qualifying for free or reduced-price lunches than the average percentage of such students in all school buildings in the learning community or (ii) a student who qualifies for free or reduced-price lunches when, based upon official membership, the school building the student will attend has fewer students qualifying for free or reduced-price lunches than the average percentage of such students in all school buildings in the learning community.

(2)(a) On or before March 15 of each year beginning with the year immediately following the year in which the initial coordinating council for the learning community takes office, a parent or guardian of a student residing in a member school district in a learning community may submit an application to any school district in the learning community on behalf of a student who is applying to attend a school building for the following school year that is not in an attendance area where the applicant resides or a focus school, focus program, or magnet school as such terms are defined in section 79-769. On or before April 1 of each year beginning with the year

immediately following the year in which the initial coordinating council for the learning community takes office, the school district shall accept or reject such applications based on the capacity of the school building, the eligibility of the applicant for the school building or program, the number of such applicants that will be accepted for a given school building, and whether or not the applicant contributes to the socioeconomic diversity of the school or program to which he or she has applied and for which he or she is eligible. The school district shall notify such parent or guardian in writing of the acceptance or rejection.

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

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

~~(b)~~ (3) Each diversity plan may also include establishment of one or more focus schools or focus programs and the involvement of every member school district in one or more magnet pathways across member school districts. Enrollment in each focus school or focus program shall be designed to reflect the socioeconomic diversity of the learning community as a whole. School district selection of students for focus schools or focus programs shall be on a random basis from two pools of applicants, those who qualify for free and reduced-price lunches and those who do not qualify for free and reduced-price lunches. The percentage of students selected for focus schools from the pool of applicants who qualify for free and reduced-price lunches shall be as nearly equal as possible to the percentage of the student body of the learning community who qualify for free and reduced-price lunches. The percentage of students selected for focus schools from the pool of applicants who do not qualify for free and reduced-price lunches shall be as nearly equal as possible to the percentage of the student body of the learning community who do not qualify for free and reduced-price lunches. If more capacity exists in a focus school or program than the number of applicants for such focus school or program that contribute to the socioeconomic diversity of the focus school or program, the school district shall randomly select applicants ~~for approval~~ up to the number of applicants that will be accepted for such building. A student who will complete the grades offered at a focus program, focus school, or magnet school that is part of a pathway shall be allowed to attend the focus program, focus school, or magnet school offering the next grade level as part of the pathway as a continuing student. A student who completes the grades offered at a focus program, focus school, or magnet school shall not be considered a continuing student in the school district responsible for the program or school.

~~(e)~~ The goal of the diversity plan shall be to annually increase the socioeconomic diversity of enrollment at each grade level in each school building within the learning community until such enrollment reflects the average socioeconomic diversity of the entire enrollment of the learning community. The learning community shall annually publish statistics on changes in diversity at each grade level in each school building within the learning community.

~~(d)~~ Any student who attended a particular school building in the prior school year and who is seeking education in the grades offered in such school building shall be allowed to continue attending such school building as a continuing student.

~~(3)~~ (4) On or before February 15 of each year beginning with

the year immediately following the year in which the initial coordinating council for the learning community takes office, a parent or guardian of a student who is currently attending a school building or program, except a magnet school, focus school, or focus program, outside of the attendance area where the student resides and who will complete the grades offered at such school building prior to the following school year shall provide notice, on a form provided by the school district, to the school board of the school district containing such school building if such student will attend another school building within such district as a continuing student and which school building such student would prefer to attend. On or before March 1, such school board shall provide a notice to such parent or guardian stating which school building or buildings the student shall be allowed to attend in such school district as a continuing student for the following school year. If the student resides within the school district, the notice shall include the school building offering the grade the student will be entering for the following school year in the attendance area where the student resides. This subsection shall not apply to focus schools or programs.

~~(4) A student who will complete the grades offered at a magnet school shall be allowed to attend the magnet school offering the next grade level as part of the magnet pathway as a continuing student.~~

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

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

~~(7) For purposes of this section, a student is deemed to reside in any attendance area where such student or at least one of his or her parents or guardians resides.~~

Sec. 22. Section 79-2111, Revised Statutes Supplement, 2007, is amended to read:

79-2111 (1) A learning community may levy a maximum levy pursuant to subdivision (2)(h) of section 77-3442 for the purchase, construction, or remodeling of elementary learning center facilities and up to fifty percent of the estimated costs for capital projects approved pursuant to this section. The proceeds from such levy shall be used for elementary learning center facilities and for one-time reductions of the bonded indebtedness required for approved projects up to fifty percent of the estimated cost of the approved project. The funds used for reductions of bonded indebtedness shall be transferred to the school district for which the project was approved and shall be deposited in such school district's special building fund for use on such project.

(2) The learning community may approve pursuant to this section funding for capital projects which will include the purchase, construction, or remodeling of facilities for ~~(a) a focus school or program designed to meet the requirements of section 79-769, or (b) a school or program that will otherwise specifically attract a more economically and culturally diverse student body than would otherwise attend a school or program in a facility at that location.~~ Such approval shall include an estimated cost for the project and shall state the amount that will be provided by the learning community for such project.

(3) If, within the ten years following receipt of the funding for a capital project pursuant to this section, a school district receiving such funding uses the facility purchased, constructed, or remodeled with such funding for purposes other than those stated to qualify for the funds, the school district shall repay such funds to the learning community with interest at the rate prescribed in section 45-104.02 accruing from the date the funds were transferred to the school district's building fund as of the last date

the facility was used for such purpose as determined by the learning community coordinating council or the date that the learning community coordinating council determines that the facility will not be used for such purpose or that such facility will not be purchased, constructed, or remodeled for such purpose. Interest shall continue to accrue on outstanding balances until the repayment has been completed. The remaining terms of repayment shall be determined by the learning community coordinating council. The learning community coordinating council may waive such repayment if the facility is used for a different ~~(a)~~ focus school or program ~~or (b) school or program that will specifically attract a more economically and culturally diverse student body than would attend a school or program in a facility at that location for a period of time that will result in the use of the facility for qualifying purposes for a total of at least ten years.~~

Sec. 23. Section 79-2113, Revised Statutes Supplement, 2007, is amended to read:

79-2113 (1) On or before July 1 immediately following the establishment of a new learning community, the learning community coordinating council shall establish at least one elementary learning center for each twenty-five elementary schools in which at least thirty-five percent of the students attending the school who reside in the attendance area of such school qualify for free or reduced-price lunches.

(2) Each achievement subcouncil shall submit a plan to the learning community coordinating council for any elementary learning center in its election district and the services to be provided by such elementary learning center. In developing the plan, the achievement subcouncil shall seek input from community resources and collaborate with such resources in order to maximize the available opportunities and the participation of elementary students and their families. An achievement subcouncil may, as part of such plan, recommend services be provided through contracts with, or grants to, entities other than school districts to provide some or all of the services. Such entities may include collaborative groups which may include the participation of a school district. An achievement subcouncil may also, as part of such plan, recommend that the elementary learning center serve as a clearinghouse for recommending programs provided by school districts or other entities and that the elementary learning center assist students in accessing such programs.

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

Sec. 24. Section 79-2115, Revised Statutes Supplement, 2007, is amended to read:

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

(a) The administration and operation of the learning community;
 (b) The administration, operations, and programs of elementary learning centers pursuant to sections 79-2112 to 79-2114;
 (c) Supplements for extended hours to teachers in elementary schools in which at least thirty-five percent of the students attending the school who reside in the attendance area of such school qualify for free or reduced-price lunches;

(d) Transportation for parents to school functions of students in elementary schools of elementary students who qualify for free or reduced-price lunches to school functions of such students in elementary schools; and

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

~~(f)~~ (f) Pilot projects related to enhancing the academic achievement of elementary students, particularly students who face challenges in the educational environment due to factors such as poverty, limited English skills, and mobility.

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

(3) A learning community coordinating council shall provide for

financial audits and evaluations of effectiveness of elementary learning centers and pilot projects receiving funds pursuant to this section. A learning community coordinating council shall serve as the recipient of private funds donated to support any elementary learning center or pilot project receiving funds pursuant to this section from such learning community coordinating council and shall assure that the use of such private funds is included in the financial audits required pursuant to this section.

Sec. 25. Section 79-2117, Revised Statutes Supplement, 2007, is amended to read:

79-2117 Each learning community coordinating council shall designate the three voting members representing each election district as the achievement subcouncil for such election district. Each achievement subcouncil shall meet as necessary but shall meet and conduct a public hearing within its election district at least once each school year. Each achievement subcouncil shall:

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

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

(3) Review and approve or disapprove of the poverty plans and limited English proficiency plans for the schools located in its election district;

(4) Receive community input and complaints regarding the learning community and academic achievement in the election district; and

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

Sec. 26. Section 79-2118, Revised Statutes Supplement, 2007, is amended to read:

79-2118 (1) Each learning community, together with its member school districts, shall develop a diversity plan to provide educational opportunities pursuant to sections 79-769 and 79-2110 in each election district designed to attract students from diverse backgrounds, which plan may be revised from time to time. The initial diversity plan shall be completed by December 31 of the year the initial learning community coordinating council for the learning community takes office. The goal of the diversity plan shall be to annually increase the socioeconomic diversity of enrollment at each grade level in each school building within the learning community until such enrollment reflects the average socioeconomic diversity of the entire enrollment of the learning community.

(2) Each diversity plan for a learning community shall include specific provisions relating to each election district with within such learning community. The specific provisions relating to each election district shall be approved by both the achievement subcouncil for such district and by the learning community coordinating council.

(3) The learning community coordinating council shall report to the Education Committee of the Legislature on or before December 1 of each even-numbered year on the diversity in the school ~~or~~ and changes in diversity at each grade level in each school building within the learning community and on the academic achievement for different demographic groups in each school building within the learning community.

Sec. 27. Section 81-1203, Reissue Revised Statutes of Nebraska, is amended to read:

81-1203 (1) A business applying for a job training grant shall submit a business plan to the Department of Economic Development which includes, but is not limited to:

(a) The number of jobs to be created or the number of existing positions that will be retrained;

(b) The nature of the business and the type of jobs to be created or positions to be retrained;

(c) The estimated wage levels of the jobs to be created or positions to be retrained; and

(d) A program schedule for the job training project.

(2) A business applying for a job training grant must demonstrate that the job training project to be conducted pursuant to the grant meets the following criteria:

(a) The wage level of the jobs created will meet the local prevailing average;

(b) The jobs created will diversify the local economy;

(c) The goods or services produced by the company will be

export-oriented;

(d) Seventy-five percent of the jobs created will be full-time jobs;

and

(e) The new jobs will be created within three calendar years.

(3) A business applying for a job training grant may partner with a learning community coordinating council or school district and at least one private, nonprofit organization whose purpose is providing basic job and life skills training to individuals in high-poverty areas. Such projects shall be focused on job training and job creation for persons residing in high-poverty areas within the boundaries of the partnering learning community or school district. The application shall specify the role of the partnering coordinating council or school district and the private, nonprofit organization in identifying and training potential job applicants for the applicant business. For purposes of this subsection: (a) High-poverty area means an area consisting of one or more contiguous census tracts, as determined by the most recent federal decennial census, which contain a percentage of persons with incomes below the poverty line of greater than thirty percent, and all census tracts contiguous to such tract or tracts, as determined by the most recent federal decennial census; and (b) private, nonprofit organization means an organization whose purpose is providing basic job and life skills training to individuals in need of such training.

Sec. 28. Section 81-1204, Reissue Revised Statutes of Nebraska, is amended to read:

81-1204 The Except as otherwise provided in this section, the Department of Economic Development shall not approve a job training grant which exceeds an average expenditure of five thousand dollars per job created if the proposed wage levels do not exceed thirty thousand dollars per year or which exceeds an average expenditure of ten thousand dollars per job if the proposed wage levels exceed thirty thousand dollars per year.

The Department of Economic Development may approve a job training grant up to ten thousand dollars per job created if the proposed wage levels do not exceed thirty thousand dollars per year or a job training grant up to fifteen thousand dollars per job if the proposed wage levels exceed thirty thousand dollars per year, if the application is approved with provisions described in subsection (3) of section 81-1203.

Sec. 29. Original sections 79-234, 79-1202, 79-1210, 79-1225, 81-1203, and 81-1204, Reissue Revised Statutes of Nebraska, sections 13-508, 13-519, and 79-201, Revised Statutes Cumulative Supplement, 2006, sections 32-546.01, 32-604, 77-3442, 79-611, 79-769, 79-1073, 79-1241.03, 79-2102, 79-2102.01, 79-2104, 79-2107, 79-2110, 79-2111, 79-2113, 79-2115, 79-2117, and 79-2118, Revised Statutes Supplement, 2007, and section 46, Legislative Bill 988, One Hundredth Legislature, Second Session, 2008, are repealed.