

AMENDMENTS TO LB967

Introduced by Education

1           1. Strike the original sections and insert the following  
2 new sections:

3           Section 1. Section 1-116, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5           1-116 Prior to January 1, 1998, a person shall be  
6 eligible to take the examination described in section 1-114 if  
7 he or she meets the requirements of subdivision (1)(a) of section  
8 1-114.

9           Any person making initial application on or after January  
10 1, 1998, to take the examination described in section 1-114 shall  
11 be eligible to take the examination if he or she has completed at  
12 least one hundred fifty semester hours or two hundred twenty-five  
13 quarter hours of postsecondary academic credit and has earned  
14 a baccalaureate or higher degree from a college or university  
15 accredited by the North Central Association of Colleges and  
16 Universities a regional accrediting agency recognized by the United  
17 States Department of Education or a similar agency as determined  
18 to be acceptable by the board. The person shall demonstrate  
19 that accounting, auditing, business, and other subjects at the  
20 appropriate academic level as required by the board are included  
21 within the required hours of postsecondary academic credit. A  
22 person who expects to complete the postsecondary academic credit  
23 and earn the degree as required by this section within sixty days

1 following when the examination is held shall be eligible to take  
2 such examination, but such person shall not receive any credit for  
3 such examination unless evidence satisfactory to the board showing  
4 that such person has completed the postsecondary academic credit  
5 and earned the degree as required by this section is received  
6 by the board within ninety days following when the examination  
7 is held. The board shall not prescribe the specific curricula of  
8 colleges or universities. If the applicant is an individual, the  
9 application shall include the applicant's social security number.

10           Sec. 2. Section 9-812, Revised Statutes Supplement, 2013,  
11 is amended to read:

12           9-812 (1) All money received from the operation of  
13 lottery games conducted pursuant to the State Lottery Act in  
14 Nebraska shall be credited to the State Lottery Operation Trust  
15 Fund, which fund is hereby created. All payments of the costs  
16 of establishing and maintaining the lottery games shall be made  
17 from the State Lottery Operation Cash Fund. In accordance with  
18 legislative appropriations, money for payments for expenses of the  
19 division shall be transferred from the State Lottery Operation  
20 Trust Fund to the State Lottery Operation Cash Fund, which fund  
21 is hereby created. All money necessary for the payment of lottery  
22 prizes shall be transferred from the State Lottery Operation Trust  
23 Fund to the State Lottery Prize Trust Fund, which fund is hereby  
24 created. The amount used for the payment of lottery prizes shall  
25 not be less than forty percent of the dollar amount of the lottery  
26 tickets which have been sold.

27           (2) A portion of the dollar amount of the lottery

1 tickets which have been sold on an annualized basis shall be  
2 transferred from the State Lottery Operation Trust Fund to the  
3 Education Innovation Fund, the Nebraska Opportunity Grant Fund,  
4 the Nebraska Education Improvement Fund, the Nebraska Environmental  
5 Trust Fund, the Nebraska State Fair Board, and the Compulsive  
6 Gamblers Assistance Fund as provided in subsection (3) of this  
7 section. The dollar amount transferred pursuant to this subsection  
8 shall equal the greater of (a) the dollar amount transferred to the  
9 funds in fiscal year 2002-03 or (b) any amount which constitutes  
10 at least twenty-two percent and no more than twenty-five percent of  
11 the dollar amount of the lottery tickets which have been sold on  
12 an annualized basis. To the extent that funds are available, the  
13 Tax Commissioner and director may authorize a transfer exceeding  
14 twenty-five percent of the dollar amount of the lottery tickets  
15 sold on an annualized basis.

16 (3) Of the money available to be transferred to the  
17 Education Innovation Fund, the Nebraska Opportunity Grant Fund,  
18 the Nebraska Education Improvement Fund, the Nebraska Environmental  
19 Trust Fund, the Nebraska State Fair Board, and the Compulsive  
20 Gamblers Assistance Fund:

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

24 (b) Beginning July 1, 2016, forty-four and one-half  
25 percent of the money remaining after the payment of prizes and  
26 operating expenses and the initial transfer to the Compulsive  
27 Gamblers Assistance Fund shall be transferred to the Nebraska

1 Education Improvement Fund;

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

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

12 (e) Forty-four and one-half percent of the money  
13 remaining after the payment of prizes and operating expenses and  
14 the initial transfer to the Compulsive Gamblers Assistance Fund  
15 shall be transferred to the Nebraska Environmental Trust Fund to be  
16 used as provided in the Nebraska Environmental Trust Act;

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

1 Compulsive Gamblers Assistance Fund shall be transferred to the  
2 General Fund; and

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

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

11 ~~(b) For fiscal year 2012-13, the Education Innovation~~  
12 ~~Fund shall be allocated as follows: (i) The first forty-five~~  
13 ~~thousand dollars shall be transferred to the Excellence in Teaching~~  
14 ~~Cash Fund to fund the Attracting Excellence to Teaching Program;~~  
15 ~~(ii) the next three million three hundred sixty-five thousand nine~~  
16 ~~hundred sixty-two dollars shall be distributed to school districts~~  
17 ~~as grants pursuant to the Early Childhood Education Grant Program;~~  
18 ~~(iii) the next two million one hundred seventy-five thousand six~~  
19 ~~hundred seventy-three dollars shall be distributed to local systems~~  
20 ~~as grants for approved accelerated or differentiated curriculum~~  
21 ~~programs for students identified as learners with high ability~~  
22 ~~pursuant to section 79-1108.02; (iv) the next one hundred eight~~  
23 ~~thousand one hundred thirty-six dollars shall be used by the~~  
24 ~~State Department of Education for the development of an integrated~~  
25 ~~early childhood, elementary, secondary, and postsecondary student~~  
26 ~~information system; (v) the next four hundred fifty thousand~~  
27 ~~dollars shall fund the Center for Student Leadership and Extended~~

1 ~~Learning Act; (vi) the next one hundred fourteen thousand six~~  
2 ~~hundred twenty-nine dollars shall be used by the department to fund~~  
3 ~~the multicultural education program created under section 79-720;~~  
4 ~~(vii) the next one hundred twenty-three thousand four hundred~~  
5 ~~sixty-eight dollars shall be used by the department to employ~~  
6 ~~persons to investigate and prosecute alleged violations as provided~~  
7 ~~in section 79-868; (viii) up to the next one hundred sixty thousand~~  
8 ~~dollars shall be used by the department to implement section~~  
9 ~~79-759; (ix) the next twenty-seven thousand two hundred dollars~~  
10 ~~shall be used to fund the Interstate Compact on Educational~~  
11 ~~Opportunity for Military Children; (x) the next two hundred~~  
12 ~~thousand dollars shall be used to provide grants to establish~~  
13 ~~bridge programs pursuant to sections 79-1189 to 79-1195; and (xi)~~  
14 ~~the amount remaining shall be allocated, after administrative~~  
15 ~~expenses, for distance education equipment and incentives pursuant~~  
16 ~~to sections 79-1336 and 79-1337. No funds received as allocations~~  
17 ~~from the Education Innovation Fund pursuant to this subdivision may~~  
18 ~~be obligated for payment to be made after June 30, 2016.~~

19           ~~(e) (b)~~ For fiscal year 2013-14, the Education Innovation  
20 Fund shall be allocated as follows: (i) The first one million  
21 dollars shall be transferred to the Excellence in Teaching Cash  
22 Fund to fund the Excellence in Teaching Act; (ii) the next  
23 allocation shall be distributed to local systems as grants for  
24 approved accelerated or differentiated curriculum programs for  
25 students identified as learners with high ability pursuant to  
26 section 79-1108.02 in an aggregated amount up to the amount  
27 distributed in the prior fiscal year for such purposes increased by

1 the basic allowable growth rate pursuant to section 79-1025; (iii)  
2 up to the next one hundred sixty thousand dollars shall be used by  
3 the State Department of Education to implement section 79-759; (iv)  
4 the next one million seven hundred fifty thousand dollars shall  
5 be allocated to early childhood education grants awarded by the  
6 department pursuant to section 79-1103; (v) the next one million  
7 dollars shall be transferred to the Early Childhood Education  
8 Endowment Cash Fund for use pursuant to section 79-1104.02; (vi)  
9 the next two hundred thousand dollars shall be used to provide  
10 grants to establish bridge programs pursuant to sections 79-1189  
11 to 79-1195; (vii) the next ten thousand dollars shall be used to  
12 fund the Interstate Compact on Educational Opportunity for Military  
13 Children; (viii) the next eighty-five thousand five hundred fifty  
14 dollars shall be allocated to the State Department of Education  
15 for distribution pursuant to section 79-2306; and (ix) the amount  
16 remaining shall be allocated, after administrative expenses, for  
17 distance education equipment and incentives pursuant to sections  
18 79-1336 and 79-1337. No funds received as allocations from the  
19 Education Innovation Fund pursuant to this subdivision may be  
20 obligated for payment to be made after June 30, 2016.

21 ~~(d)~~ (c) For fiscal year 2014-15, the Education Innovation  
22 Fund shall be allocated, after administrative expenses, as follows:

23 (i) The first one million two hundred thousand dollars shall be  
24 transferred to the Excellence in Teaching Cash Fund to fund the  
25 Excellence in Teaching Act; (ii) the next allocation shall be  
26 distributed to local systems as grants for approved accelerated  
27 or differentiated curriculum programs for students identified as

1 learners with high ability pursuant to section 79-1108.02 in an  
2 aggregated amount up to the amount distributed in the prior fiscal  
3 year for such purposes increased by the basic allowable growth  
4 rate pursuant to section 79-1025; (iii) the next one million  
5 eight hundred fifty thousand dollars shall be allocated to early  
6 childhood education grants awarded by the State Department of  
7 Education pursuant to section 79-1103; (iv) the next one million  
8 dollars shall be transferred to the Early Childhood Education  
9 Endowment Cash Fund for use pursuant to section 79-1104.02; (v)  
10 the next two hundred thousand dollars shall be used to provide  
11 grants to establish bridge programs pursuant to sections 79-1189  
12 to 79-1195; (vi) the next ten thousand dollars shall be used  
13 to fund the Interstate Compact on Educational Opportunity for  
14 Military Children; ~~and~~ (vii) the amount remaining next two million  
15 dollars shall be allocated, after administrative expenses, for  
16 distance education equipment and incentives pursuant to sections  
17 79-1336 and 79-1337; (viii) the next one million dollars shall  
18 be transferred to the School District Reorganization Fund; (ix)  
19 up to the next one hundred forty-five thousand dollars shall be  
20 used by the State Department of Education to implement section  
21 79-759; and (x) the next three hundred thirty-five thousand dollars  
22 shall be allocated to local systems as grants awarded by the  
23 State Department of Education to assist schools in evaluating  
24 and improving career education programs to align such programs  
25 with the state's economic and workforce needs. Except for funds  
26 transferred to the School District Reorganization Fund, the Early  
27 Childhood Education Endowment Cash Fund, or the department for



1 early childhood education grants pursuant to section 79-1103, no  
2  ~~-~~  funds received as allocations from the Education Innovation  
3  Fund pursuant to this subdivision may be obligated for payment to  
4  be made after June 30, 2016, and such funds received as transfers  
5  or allocations from the Education Innovation Fund that have not  
6  been used for their designated purpose as of such date shall be  
7  transferred to the Nebraska Education Improvement Fund on or before  
8  August 1, 2016.

9           ~~(e)~~ (d) For fiscal year 2015-16, the Education Innovation  
10 Fund shall be allocated, after administrative expenses, as follows:

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

1 dollars shall be allocated, after administrative expenses, for  
2 distance education equipment and incentives pursuant to sections  
3 79-1336 and 79-1337; (vii) the next one million dollars shall be  
4 transferred to the School District Reorganization Fund; (viii) up  
5 to the next one hundred forty-five thousand dollars shall be used  
6 by the State Department of Education to implement section 79-759;  
7 and (ix) of the amount remaining, (A) three million dollars shall  
8 be retained in the Education Innovation Fund to transfer to the  
9 Nebraska Education Improvement Fund on June 30, 2016, and (B) the  
10 rest shall be allocated to local systems as grants awarded by  
11 the State Department of Education to assist schools in evaluating  
12 and improving career education programs to align such programs  
13 with the state's economic and workforce needs. Except for funds  
14 transferred to the School District Reorganization Fund, the Early  
15 Childhood Education Endowment Cash Fund, or the department for  
16 early childhood education grants pursuant to section 79-1103, no  
17 — No funds received as allocations from the Education Innovation  
18 Fund pursuant to this subdivision may be obligated for payment to  
19 be made after June 30, 2016, and such funds received as transfers  
20 or allocations from the Education Innovation Fund that have not  
21 been used for their designated purpose as of such date shall be  
22 transferred to the Nebraska Education Improvement Fund on or before  
23 August 1, 2016.

24 ~~(f)~~ (e) The Education Innovation Fund terminates on June  
25 30, 2016. Any money in the fund on such date shall be transferred  
26 to the Nebraska Education Improvement Fund on such date.

27 (5) The Nebraska Education Improvement Fund is created.

1 The fund shall consist of money transferred pursuant to subsections  
2 (3) and (4) of this section, money transferred pursuant to section  
3 85-1920, and any other funds appropriated by the Legislature. Any  
4 money in the fund available for investment shall be invested by the  
5 state investment officer pursuant to the Nebraska Capital Expansion  
6 Act and the Nebraska State Funds Investment Act.

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

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

18 ~~(8) It is the intent of the Legislature to replace~~  
19 ~~funding from the Education Innovation Fund with General Fund~~  
20 ~~appropriations to the State Department of Education beginning~~  
21 ~~with FY2013-14 for (a) the integrated early childhood, elementary,~~  
22 ~~secondary, and postsecondary student information system, (b) the~~  
23 ~~Center for Student Leadership and Extended Learning Act, (c) the~~  
24 ~~multicultural education program created under section 79-720, and~~  
25 ~~(d) the employment of persons to investigate and prosecute alleged~~  
26 ~~violations as provided in section 79-868.~~

27 Sec. 3. Section 79-319, Revised Statutes Cumulative

1 Supplement, 2012, is amended to read:

2           79-319 The State Board of Education has the authority to  
3 (1) provide for the education of and approve special educational  
4 facilities and programs provided in the public schools for children  
5 with disabilities, (2) act as the state's authority for the  
6 approval of all types of veterans educational programs and have  
7 jurisdiction over the administration and supervision of on-the-job  
8 and apprenticeship training, on-the-farm training, and flight  
9 training programs for veterans which are financially supported  
10 in whole or in part by the federal government, (3) supervise and  
11 administer any educational or training program established within  
12 the state by the federal government, except postsecondary education  
13 in approved colleges, (4) coordinate educational activities in the  
14 state that pertain to elementary and secondary education and such  
15 other educational programs as are placed by statute under the  
16 jurisdiction of the board, (5) receive and distribute according to  
17 law any money, commodities, goods, or services made available to  
18 the board from the state or federal government or from any other  
19 source and distribute money in accordance with the terms of any  
20 grant received, including the distribution of money from grants by  
21 the federal government to schools, preschools, day care centers,  
22 day care homes, nonprofit agencies, and political subdivisions of  
23 the state or institutions of learning not owned or exclusively  
24 controlled by the state or a political subdivision thereof, so  
25 long as no public funds of the state, any political subdivision,  
26 or any public corporation are added to such federal grants, (6)  
27 publish, from time to time, directories of schools and educators,

1 pamphlets, curriculum guides, rules and regulations, handbooks on  
2 school constitution and other matters of interest to educators,  
3 and similar publications. Such publications may be distributed  
4 without charge to schools and school officials within this state  
5 or may be sold at a price not less than the actual cost of  
6 printing. The proceeds of such sale shall be remitted to the State  
7 Treasurer for credit to the State Department of Education Cash Fund  
8 which may be used by the State Department of Education for the  
9 purpose of printing and distributing further such publications on  
10 a nonprofit basis. ~~The board shall furnish eight copies~~ Copies of  
11 such publications shall be provided to the Nebraska Publications  
12 Clearinghouse pursuant to section 51-413, and (7) when necessary  
13 for the proper administration of the functions of the department  
14 and with the approval of the Governor and the Department of  
15 Administrative Services, rent or lease space outside the State  
16 Capitol.

17           Sec. 4. Section 79-526, Reissue Revised Statutes of  
18 Nebraska, is amended to read:

19           79-526 (1) The school board or board of education of a  
20 Class I, II, III, IV, or VI school district has responsibility  
21 for the general care and upkeep of the schools, shall provide  
22 the necessary supplies and equipment, and, except as otherwise  
23 provided, has the power to cause pupils to be taught in such  
24 branches and classified in such grades or departments as may seem  
25 best adapted to a course of study which the board shall establish  
26 with the consent and advice of the State Department of Education.  
27 The board shall make provision for pupils that may enter at any

1 time during the school year. The board shall have a record kept of  
2 the advancement of all pupils in each branch of study. The board  
3 shall make rules and regulations as it deems necessary for the  
4 government and health of the pupils and devise any means as may  
5 seem best to secure the regular attendance and progress of children  
6 at school.

7 (2) The school board may make expenditures for supplies,  
8 equipment, travel, meals, and lodging for school programs  
9 and activities, including extracurricular and interscholastic  
10 activities, appropriate for the benefit, government, and health of  
11 pupils enrolled in the school district.

12 Sec. 5. Section 79-535, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14 79-535 All Class V school districts shall be under  
15 the direction and control of the school board or board of  
16 education authorized by section 79-552. The school board or board  
17 of education may make expenditures for supplies, equipment, travel,  
18 meals, and lodging for school programs and activities, including  
19 extracurricular and interscholastic activities, appropriate for the  
20 benefit, government, and health of pupils enrolled in the school  
21 district.

22 Sec. 6. Section 79-759, Revised Statutes Cumulative  
23 Supplement, 2012, is amended to read:

24 79-759 Beginning with the 2011-12 school year, the State  
25 Department of Education may implement a ~~three-year~~ pilot project  
26 for the districtwide administration of a standard college admission  
27 test, selected by the State Board of Education, to students in

1 the eleventh grade attending a public school in a participating  
2 school district to determine if such test (1) would improve the  
3 college-going rate and career readiness of Nebraska students and  
4 (2) could be utilized as the assessment for the one grade in high  
5 school as required under section 79-760.03. Participation by school  
6 districts in the pilot project shall be voluntary and shall be  
7 subject to the approval of the board. On or before September 1,  
8 2012, and on or before September 1 each year thereafter through  
9 ~~2014,~~ 2016, the department shall report to the Governor, the  
10 Clerk of the Legislature, and the chairperson of the Education  
11 Committee of the Legislature on the pilot project. The report  
12 submitted to the Clerk of the Legislature and the committee shall  
13 be submitted electronically. The project shall continue through  
14 school year 2015-16. The project shall be paid for with funds from  
15 the Education Innovation Fund as provided in section 9-812.

16 Sec. 7. Section 79-8,133, Revised Statutes Cumulative  
17 Supplement, 2012, is amended to read:

18 79-8,133 The Attracting Excellence to Teaching Program  
19 is created. For purposes of the Attracting Excellence to Teaching  
20 Program:

21 (1) Department means the State Department of Education;

22 (2) Eligible institution means a not-for-profit college  
23 or university which (a) is located in Nebraska, (b) is accredited  
24 by the North Central Association of Colleges and Schools, a  
25 regional accrediting agency recognized by the United States  
26 Department of Education as determined to be acceptable by the State  
27 Board of Education, (c) has a teacher education program, and (d) if

1 a privately funded college or university, has not opted out of the  
2 program pursuant to rules and regulations;

3 (3) Eligible student means an individual who (a) is a  
4 full-time student, (b) is enrolled in an eligible institution in  
5 an undergraduate or a graduate teacher education program working  
6 toward his or her initial certificate to teach in Nebraska, (c)  
7 if enrolled at a state-funded eligible institution, is a resident  
8 student as described in section 85-502 or, if enrolled in a  
9 privately funded eligible institution, would be deemed a resident  
10 student if enrolled in a state-funded eligible institution, (d)  
11 for applicants applying for the first time on or after April  
12 23, 2009, is a student majoring in a shortage area, and (e) for  
13 applicants applying to receive a loan during fiscal year 2011-12 or  
14 2012-13, is a student who previously received a loan pursuant to  
15 the Attracting Excellence to Teaching Program in the fiscal year  
16 immediately preceding the fiscal year in which the new loan would  
17 be received;

18 (4) Full-time student means, in the aggregate, the  
19 equivalent of a student who in a twelve-month period is enrolled  
20 in twenty-four semester credit hours for undergraduate students or  
21 eighteen semester credit hours for graduate students of classroom,  
22 laboratory, clinical, practicum, or independent study course work;

23 (5) Majoring in a shortage area means pursuing a degree  
24 which will allow an individual to be properly endorsed to teach in  
25 a shortage area;

26 (6) Shortage area means a secular field of teaching for  
27 which there is a shortage, as determined by the department, of



1 properly endorsed teachers at the time the borrower first receives  
2 funds pursuant to the program; and

3 (7) Teacher education program means a program of study  
4 approved by the State Board of Education pursuant to subdivision  
5 (5)(g) of section 79-318.

6 Sec. 8. Section 79-8,137.01, Revised Statutes Cumulative  
7 Supplement, 2012, is amended to read:

8 79-8,137.01 The Enhancing Excellence in Teaching Program  
9 is created. For purposes of the Enhancing Excellence in Teaching  
10 Program:

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

12 (2) Eligible graduate program means a program of study  
13 offered by an eligible institution which results in obtaining a  
14 graduate degree;

15 (3) Eligible institution means a not-for-profit college  
16 or university which (a) is located in Nebraska, (b) is accredited  
17 by the North Central Association of Colleges and Schools, a  
18 regional accrediting agency recognized by the United States  
19 Department of Education as determined to be acceptable by the State  
20 Board of Education, (c) has a teacher education program, and (d)  
21 if a privately funded college or university, has not opted out of  
22 the Enhancing Excellence in Teaching Program pursuant to rules and  
23 regulations;

24 (4) Eligible student means an individual who (a) is a  
25 certificated teacher employed to teach in an approved or accredited  
26 school in Nebraska, (b) is enrolled in an eligible graduate  
27 program, (c) if enrolled at a state-funded eligible institution,

1 is a resident student as described in section 85-502 or, if  
2 enrolled in a privately funded eligible institution, would be  
3 deemed a resident student if enrolled in a state-funded eligible  
4 institution, (d) is majoring in a shortage area, curriculum and  
5 instruction, a subject area in which the individual already holds  
6 a secular teaching endorsement, or a subject area that will  
7 result in an additional secular teaching endorsement which the  
8 superintendent of the school district or head administrator of  
9 the private, denominational, or parochial school employing the  
10 individual believes will be beneficial to the students of such  
11 school district or school as evidenced by a statement signed by  
12 the superintendent or head administrator, and (e) is applying for  
13 a loan pursuant to the Enhancing Excellence in Teaching Program  
14 to be received at a time other than during fiscal year 2011-12 or  
15 2012-13;

16 (5) Majoring in a shortage area or subject area means  
17 pursuing a degree which will allow an individual to be properly  
18 endorsed to teach in such shortage area or subject area; and

19 (6) Shortage area means a secular field of teaching for  
20 which there is a shortage, as determined by the department, of  
21 properly endorsed teachers at the time the borrower first receives  
22 funds pursuant to the Enhancing Excellence in Teaching Program.

23 Sec. 9. Section 79-8,137.05, Revised Statutes Cumulative  
24 Supplement, 2012, is amended to read:

25 79-8,137.05 (1) The Excellence in Teaching Cash Fund  
26 is created. The fund shall consist of appropriations by the  
27 Legislature, transfers pursuant to section 9-812, and loan

1 repayments, penalties, and interest payments received in the course  
2 of administering the Attracting Excellence to Teaching Program and  
3 the Enhancing Excellence in Teaching Program.

4 (2) For all fiscal years except fiscal years 2011-12 and  
5 2012-13, the department shall allocate on an annual basis up to  
6 four hundred thousand dollars in the aggregate of the funds to  
7 be distributed for the Attracting Excellence to Teaching Program  
8 to all eligible institutions according to the distribution formula  
9 as determined by rule and regulation. The eligible institutions  
10 shall act as agents of the department in the distribution of the  
11 funds for the Attracting Excellence to Teaching Program to eligible  
12 students. The remaining available funds shall be distributed by  
13 the department to eligible students for the Enhancing Excellence in  
14 Teaching Program.

15 (3) For fiscal years 2011-12 and 2012-13, the department  
16 shall allocate on an annual basis funds to be distributed for  
17 the Attracting Excellence to Teaching Program to all eligible  
18 institutions receiving applications from eligible students for  
19 loans to be received during such fiscal years. The distribution  
20 for each of fiscal years 2011-12 and 2012-13 shall be proportional  
21 based on the amounts applied for by eligible students at each  
22 institution, except that no more than one hundred percent of such  
23 amounts shall be distributed. The eligible institutions shall act  
24 as agents of the department in the distribution of the funds for  
25 the Attracting Excellence to Teaching Program to eligible students.

26 (4) Any money remaining in the fund on August 1, 2016,  
27 shall be transferred to the Nebraska Education Improvement Fund on

1 such date.

2 ~~(4)~~ (5) Any money in the fund available for investment  
3 shall be invested by the state investment officer pursuant to  
4 the Nebraska Capital Expansion Act and the Nebraska State Funds  
5 Investment Act.

6 Sec. 10. Section 79-1003, Revised Statutes Supplement,  
7 2013, is amended to read:

8 79-1003 For purposes of the Tax Equity and Educational  
9 Opportunities Support Act:

10 (1) Adjusted general fund operating expenditures  
11 means ~~(a) for school fiscal years 2010-11 through 2012-13,~~  
12 ~~the difference of the general fund operating expenditures as~~  
13 ~~calculated pursuant to subdivision (22) of this section increased~~  
14 ~~by, or for aid calculated for school fiscal year 2010-11~~  
15 ~~multiplied by, the cost growth factor calculated pursuant to~~  
16 ~~section 79-1007.10, minus the transportation allowance, special~~  
17 ~~receipts allowance, poverty allowance, limited English proficiency~~  
18 ~~allowance, distance education and telecommunications allowance,~~  
19 ~~elementary site allowance, elementary class size allowance,~~  
20 ~~summer school allowance, instructional time allowance, teacher~~  
21 ~~education allowance, and focus school and program allowance,~~  
22 ~~and (b) for school fiscal year 2013-14 and each school fiscal~~  
23 ~~year thereafter, (a) for school fiscal years 2013-14 through~~  
24 2015-16, the difference of the general fund operating expenditures  
25 as calculated pursuant to subdivision (22) of this section  
26 increased by the cost growth factor calculated pursuant to  
27 section 79-1007.10, minus the transportation allowance, special

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

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

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

1 79-1008.02;

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

8 (5) Base fiscal year means the first school fiscal year  
9 following the school fiscal year in which the reorganization or  
10 unification occurred;

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

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

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

22 (9) Converted contract means an expired contract that was  
23 in effect for at least fifteen school years beginning prior to  
24 school year 2012-13 for the education of students in a nonresident  
25 district in exchange for tuition from the resident district when  
26 the expiration of such contract results in the nonresident district  
27 educating students, who would have been covered by the contract if

1 the contract were still in effect, as option students pursuant to  
2 the enrollment option program established in section 79-234;

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

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

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

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

17 (14) Equalization aid means the amount of assistance  
18 calculated to be paid to a local system pursuant to sections  
19 79-1007.11 to 79-1007.23, 79-1007.25, 79-1008.01 to 79-1022,  
20 79-1022.02, 79-1028.02, and 79-1028.04;

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

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

27 (17) Formula students means:

1           (a) For state aid certified pursuant to section 79-1022,  
2 the sum of the product of fall membership from the school fiscal  
3 year immediately preceding the school fiscal year in which the  
4 aid is to be paid multiplied by the average ratio of average  
5 daily membership to fall membership for the second school fiscal  
6 year immediately preceding the school fiscal year in which the aid  
7 is to be paid and the prior two school fiscal years plus sixty  
8 percent of the qualified early childhood education fall membership  
9 plus tuitioned students from the school fiscal year immediately  
10 preceding the school fiscal year in which aid is to be paid minus  
11 the product of the number of students enrolled in kindergarten that  
12 is not full-day kindergarten from the fall membership multiplied by  
13 0.5; and

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

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

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



1 hours;

2 (20) General fund budget of expenditures means the total  
3 budget of disbursements and transfers for general fund purposes as  
4 certified in the budget statement adopted pursuant to the Nebraska  
5 Budget Act, except that for purposes of the limitation imposed in  
6 section 79-1023 and the calculation pursuant to subdivision (2) of  
7 section 79-1027.01, the general fund budget of expenditures does  
8 not include any special grant funds, exclusive of local matching  
9 funds, received by a district;

10 (21) General fund expenditures means all expenditures  
11 from the general fund;

12 (22) General fund operating expenditures means for state  
13 aid calculated for school fiscal years 2012-13 and each school  
14 fiscal year thereafter, as reported on the annual financial  
15 report for the second school fiscal year immediately preceding  
16 the school fiscal year in which aid is to be paid, the total  
17 general fund expenditures minus (a) the amount of all receipts  
18 to the general fund, to the extent that such receipts are not  
19 included in local system formula resources, from early childhood  
20 education tuition, summer school tuition, educational entities as  
21 defined in section 79-1201.01 for providing distance education  
22 courses through the Educational Service Unit Coordinating Council  
23 to such educational entities, private foundations, individuals,  
24 associations, charitable organizations, the textbook loan program  
25 authorized by section 79-734, federal impact aid, and levy  
26 override elections pursuant to section 77-3444, (b) the amount  
27 of expenditures for categorical funds, tuition paid, transportation

1 fees paid to other districts, adult education, community services,  
2 redemption of the principal portion of general fund debt service,  
3 retirement incentive plans authorized by section 79-855, and staff  
4 development assistance authorized by section 79-856, (c) the amount  
5 of any transfers from the general fund to any bond fund and  
6 transfers from other funds into the general fund, (d) any legal  
7 expenses in excess of fifteen-hundredths of one percent of the  
8 formula need for the school fiscal year in which the expenses  
9 occurred, (e) expenditures to pay for sums agreed to be paid by  
10 a school district to certificated employees in exchange for a  
11 voluntary termination occurring prior to July 1, 2009, occurring  
12 on or after the last day of the 2010-11 school year and prior  
13 to the first day of the 2013-14 school year, or, to the extent  
14 that a district has demonstrated to the State Board of Education  
15 pursuant to section 79-1028.01 that the agreement will result  
16 in a net savings in salary and benefit costs to the school  
17 district over a five-year period, occurring on or after the  
18 first day of the 2013-14 school year, (f)(i) expenditures to pay  
19 for employer contributions pursuant to subsection (2) of section  
20 79-958 to the School Employees Retirement System of the State of  
21 Nebraska to the extent that such expenditures exceed the employer  
22 contributions under such subsection that would have been made at  
23 a contribution rate of seven and thirty-five hundredths percent or  
24 (ii) expenditures to pay for school district contributions pursuant  
25 to subdivision (1)(c)(i) of section 79-9,113 to the retirement  
26 system established pursuant to the Class V School Employees  
27 Retirement Act to the extent that such expenditures exceed the

1 school district contributions under such subdivision that would  
2 have been made at a contribution rate of seven and thirty-seven  
3 hundredths percent, and (g) any amounts paid by the district for  
4 lobbyist fees and expenses reported to the Clerk of the Legislature  
5 pursuant to section 49-1483.

6 For purposes of this subdivision (22) of this section,  
7 receipts from levy override elections shall equal ninety-nine  
8 percent of the difference of the total general fund levy minus  
9 a levy of one dollar and five cents per one hundred dollars of  
10 taxable valuation multiplied by the assessed valuation for school  
11 districts that have voted pursuant to section 77-3444 to override  
12 the maximum levy provided pursuant to section 77-3442;

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

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

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

22 (26) Limited English proficiency students means the  
23 number of students with limited English proficiency in a district  
24 from the most recent data available on November 1 of the school  
25 fiscal year preceding the school fiscal year in which aid is to  
26 be paid plus the difference of such students with limited English  
27 proficiency minus the average number of limited English proficiency

1 students for such district, prior to such addition, for the three  
2 immediately preceding school fiscal years if such difference is  
3 greater than zero;

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

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

23 (29) Low-income students means the number of low-income  
24 children within the district multiplied by the ratio of the formula  
25 students in the district divided by the total children under  
26 nineteen years of age residing in the district as derived from  
27 income tax information;

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

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

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

1 years, including any such students in portions of any of such  
2 programs receiving an expansion grant;

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

17 (34) Regular route transportation means the  
18 transportation of students on regularly scheduled daily routes to  
19 and from the attendance center;

20 (35) Reorganized district means any district involved  
21 in a consolidation and currently educating students following  
22 consolidation;

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

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

27 (a) (i) Less than two students per square mile in the

1 county in which each high school is located, based on the school  
2 district census, (ii) less than one formula student per square  
3 mile in the local system, and (iii) more than ten miles between  
4 each high school attendance center and the next closest high school  
5 attendance center on paved roads;

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

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

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

18 (38) Special education means specially designed  
19 kindergarten through grade twelve instruction pursuant to section  
20 79-1125, and includes special education transportation;

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

1 special grant funds;

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

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

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

9 (43) Statewide average basic funding per formula student  
10 means the statewide total basic funding for all districts divided  
11 by the statewide total formula students for all districts;

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

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

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



1 per student in the local system's cost grouping;

2 (47) Tuition receipts from converted contracts means  
3 tuition receipts received by a district from another district  
4 in the most recently available complete data year pursuant to a  
5 converted contract prior to the expiration of the contract;

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

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

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

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

22 Sec. 11. Section 79-1007.11, Revised Statutes Supplement,  
23 2013, is amended to read:

24 79-1007.11 ~~(1) Except as otherwise provided in this~~  
25 ~~section, for school fiscal years 2011-12 and 2012-13, each school~~  
26 ~~district's formula need shall equal the difference of the sum of~~  
27 ~~the school district's basic funding, poverty allowance, limited~~

1 English proficiency allowance, elementary class size allowance,  
2 focus school and program allowance, summer school allowance,  
3 special receipts allowance, transportation allowance, elementary  
4 site allowance, instructional time allowance, teacher education  
5 allowance, distance education and telecommunications allowance,  
6 averaging adjustment, new learning community transportation  
7 adjustment, student growth adjustment, any positive student growth  
8 adjustment correction, and new school adjustment, minus the sum  
9 of the limited English proficiency allowance correction, poverty  
10 allowance correction, any negative student growth adjustment  
11 correction, and local choice adjustment.

12           ~~(2)~~ (1) Except as otherwise provided in this section,  
13 for school fiscal year 2013-14 and each school fiscal year  
14 thereafter, years 2013-14 through 2015-16, each school district's  
15 formula need shall equal the difference of the sum of the school  
16 district's basic funding, poverty allowance, limited English  
17 proficiency allowance, focus school and program allowance, summer  
18 school allowance, special receipts allowance, transportation  
19 allowance, elementary site allowance, instructional time  
20 allowance, teacher education allowance, distance education and  
21 telecommunications allowance, averaging adjustment, new learning  
22 community transportation adjustment, student growth adjustment,  
23 any positive student growth adjustment correction, and new school  
24 adjustment, minus the sum of the limited English proficiency  
25 allowance correction, poverty allowance correction, and any  
26 negative student growth adjustment correction.

27           (2) Except as otherwise provided in this section, for

1 school fiscal year 2016-17 and each school fiscal year thereafter,  
2 each school district's formula need shall equal the difference of  
3 the sum of the school district's basic funding, poverty allowance,  
4 limited English proficiency allowance, focus school and program  
5 allowance, summer school allowance, special receipts allowance,  
6 transportation allowance, elementary site allowance, distance  
7 education and telecommunications allowance, averaging adjustment,  
8 new learning community transportation adjustment, student growth  
9 adjustment, any positive student growth adjustment correction,  
10 and new school adjustment, minus the sum of the limited English  
11 proficiency allowance correction, poverty allowance correction, and  
12 any negative student growth adjustment correction.

13           (3) If the formula need calculated for a school district  
14 pursuant to subsections (1) and (2) of this section is less than  
15 one hundred percent of the formula need for such district for  
16 the school fiscal year immediately preceding the school fiscal  
17 year for which aid is being calculated, the formula need for such  
18 district shall equal one hundred percent of the formula need for  
19 such district for the school fiscal year immediately preceding the  
20 school fiscal year for which aid is being calculated.

21           (4) Except as provided in subsection (6) of this section,  
22 if the formula need calculated for a school district pursuant to  
23 subsections (1) and (2) of this section is more than one hundred  
24 twelve percent of the formula need for such district for the  
25 school fiscal year immediately preceding the school fiscal year for  
26 which aid is being calculated, the formula need for such district  
27 shall equal one hundred twelve percent of the formula need for

1 such district for the school fiscal year immediately preceding the  
2 school fiscal year for which aid is being calculated, except that  
3 the formula need shall not be reduced pursuant to this subsection  
4 for any district receiving a student growth adjustment for the  
5 school fiscal year for which aid is being calculated.

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

20 (6) For state aid calculated for the first full school  
21 fiscal year of a new learning community, if the formula need  
22 calculated for a member school district pursuant to subsections  
23 (1) through (3) of this section is less than the sum of the  
24 school district's state aid certified for the school fiscal year  
25 immediately preceding the first full school fiscal year of the  
26 learning community plus the school district's other actual receipts  
27 included in local system formula resources pursuant to section

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

7           Sec. 12. Section 79-1007.23, Revised Statutes Supplement,  
8 2013, is amended to read:

9           79-1007.23 (1)(a) For state aid calculated for school  
10 fiscal years through school fiscal year 2012-13, the department  
11 shall calculate an instructional time allowance for each district  
12 which submits the information required for the calculation on a  
13 form prescribed by the department on or before October 15 of the  
14 school fiscal year preceding the school fiscal year for which  
15 aid is being calculated. The instructional time allowance shall  
16 be equal to the product of the formula students of such district  
17 multiplied by the instructional time factor for such district  
18 multiplied by eighty-five percent of the statewide average general  
19 fund operating expenditures per formula student.

20           (b) The instructional time factor shall equal the  
21 difference of the ratio of the district's average hours of  
22 instruction for each full-time student during the regular school  
23 year for the most recently available complete data year divided  
24 by the statewide average hours of instruction for each full-time  
25 student during the regular school year for the most recently  
26 available complete data year minus one, except that if the result  
27 is less than zero, the instructional time factor shall equal zero.

1           (c) The average hours of instruction shall be defined by  
2 the department and shall be based on scheduled time for courses and  
3 the number of students participating in such courses as reported to  
4 the department for the most recently available complete data year.  
5 Hours of instruction shall not include extracurricular activities  
6 outside of the regular school day or time designated for students  
7 to eat lunch. The statewide average hours of instruction for  
8 each student shall be an average of the averages for all school  
9 districts.

10           (2) (a) For state aid calculated for school fiscal year  
11 ~~2013-14 and each school fiscal year thereafter,~~ years 2013-14  
12 through 2015-16, the department shall calculate an instructional  
13 time allowance for a school district if the average days in session  
14 for such school district exceeds one hundred seventy-five days for  
15 the most recently available complete data year.

16           (b) For purposes of this subsection:

17           (i) The allowance student days for each qualifying school  
18 district shall equal the formula students for such district  
19 multiplied by the difference of the average days in session  
20 for such school district minus one hundred seventy-five days;

21           (ii) The average days in session for each school district  
22 shall equal a weighted average of the days in session for all  
23 schools in the school district as defined by the department; and

24           (iii) The statewide allowance student days shall equal  
25 the sum of the allowance student days for all qualifying school  
26 districts.

27           (c) ~~The~~ For school fiscal years 2013-14 and 2014-15, the

1 instructional time allowance for each qualifying school district  
2 shall equal the product of twenty million dollars multiplied by  
3 the ratio of the allowance student days for such school district  
4 divided by the statewide allowance student days.

5 (d) For school fiscal year 2015-16, the instructional  
6 time allowance for each qualifying school district shall equal the  
7 product of ten million dollars multiplied by the ratio of the  
8 allowance student days for such school district divided by the  
9 statewide allowance student days.

10 ~~(d)~~ (e) Fifty percent of the instructional time allowance  
11 calculated pursuant to this subsection for each qualifying school  
12 district shall be paid to such school district as instructional  
13 time aid for the school fiscal year for which aid is being  
14 calculated.

15 Sec. 13. Section 79-1007.25, Revised Statutes Supplement,  
16 2013, is amended to read:

17 79-1007.25 ~~The~~ For school fiscal years 2013-14 through  
18 2015-16, the department shall calculate a teacher education  
19 allowance for each district as follows:

20 (1) Teacher education points shall be calculated for each  
21 district by the department based upon data from the fall personnel  
22 report required pursuant to section 79-804 for the school fiscal  
23 year immediately preceding the school fiscal year in which aid is  
24 to be paid. Each full-time equivalent teacher shall (a) be under  
25 contract with a school district as required pursuant to section  
26 79-818 and (b) only be counted one time in awarding any points  
27 pursuant to this section. Each district shall receive one point for

1 each full-time equivalent teacher who has earned and been awarded a  
2 master's degree or an education specialist's degree and two points  
3 for each full-time equivalent teacher who has earned and been  
4 awarded a doctoral degree;

5 ~~(2) For school fiscal years prior to school fiscal year~~  
6 ~~2013-14, a teacher education index shall be calculated for each~~  
7 ~~district by dividing the ratio of teacher education points for the~~  
8 ~~district divided by the number of full-time equivalent teachers~~  
9 ~~in the district by the ratio of teacher education points for all~~  
10 ~~districts divided by the number of full-time equivalent teachers in~~  
11 ~~all districts;~~

12 ~~(3) For school fiscal years prior to school fiscal year~~  
13 ~~2013-14, the teacher education allowance for each district shall~~  
14 ~~equal eight and one-half percent of the statewide average general~~  
15 ~~fund operating expenditures per formula student multiplied by the~~  
16 ~~district's formula students and multiplied by the difference of~~  
17 ~~the product of the district's teacher education index minus one,~~  
18 ~~except that if the result is less than zero, the teacher education~~  
19 ~~allowance shall equal zero; and~~

20 ~~(4) (2) For school fiscal year 2013-14 and each school~~  
21 ~~fiscal year thereafter, years 2013-14 and 2014-15, the teacher~~  
22 ~~education allowance for each district shall equal the product of~~  
23 ~~thirty million dollars multiplied by the ratio of teacher education~~  
24 ~~points calculated for the district divided by the aggregate teacher~~  
25 ~~education points calculated for all districts. Fifty percent of the~~  
26 ~~teacher education allowance calculated pursuant to this subdivision~~  
27 ~~for each school district shall be paid to such school district as~~



1 teacher education aid for the school fiscal year for which aid is  
2 being calculated; and -

3 (3) For school fiscal year 2015-16, the teacher education  
4 allowance for each district shall equal the product of fifteen  
5 million dollars multiplied by the ratio of teacher education  
6 points calculated for the district divided by the aggregate teacher  
7 education points calculated for all districts. Fifty percent of the  
8 teacher education allowance calculated pursuant to this subdivision  
9 for each school district shall be paid to such school district as  
10 teacher education aid for the school fiscal year for which aid is  
11 being calculated.

12 Sec. 14. Section 79-1011, Revised Statutes Cumulative  
13 Supplement, 2012, is amended to read:

14 79-1011 (1) To encourage consolidation of Class II and  
15 III school districts with less than three hundred ninety students,  
16 incentives shall be paid to reorganized Class II, III, IV, or V  
17 support school districts which consolidate, support grants shall  
18 be paid to reorganized Class III school districts resulting from  
19 consolidations which meet the requirements of this section. This  
20 section shall only apply to consolidations with an effective date  
21 after May 31, 2009, and before June 1, 2011. the effective date of  
22 this act.

23 (2) To qualify for ~~incentive payments~~ support grants  
24 under this section, the consolidation must be approved for  
25 ~~incentive payments~~ support grants by the State Committee for the  
26 Reorganization of School Districts. Consolidating school districts  
27 shall file an application with the state committee on or before

1 June 15, ~~2009~~, 2014, or within thirty days following the issuance  
2 of the boundary change order pursuant to subsection (1) of section  
3 79-479, whichever is later. The state committee shall approve or  
4 disapprove ~~incentive payments~~ support grants within thirty days  
5 after receipt of the application.

6 (3) For ~~incentive payments~~ support grants to be  
7 approved by the state committee, a reorganization study,  
8 including efficiency, demographic, curriculum, facility, financial,  
9 and community components, must be completed prior to the  
10 reorganization. If a study containing such elements has been  
11 completed and the study indicates that the reorganization will most  
12 likely result in more efficiency in the delivery of educational  
13 services or greater educational opportunities, the state committee  
14 may approve ~~incentive payments~~. support grants.

15 (4) Incentive payments shall be based on the number of  
16 students moving from Class II or III school districts with less  
17 than three hundred ninety students into a reorganized Class II,  
18 III, IV, or V school district with at least three hundred ninety  
19 students based on the average daily membership in each affected  
20 district in the school fiscal year immediately preceding the first  
21 school fiscal year the boundary change will be in effect and the  
22 average daily membership the consolidated district would have had  
23 following the boundary change if it had occurred in the school  
24 fiscal year immediately preceding the first school fiscal year the  
25 boundary change will be in effect. The incentive amount for each  
26 district involved in the reorganization having an average daily  
27 membership of less than three hundred ninety students The amount

1 of the support grant for each qualifying consolidation shall equal  
2 one hundred twenty-five thousand dollars plus the product of five  
3 hundred dollars per student multiplied by the difference of three  
4 hundred ninety students minus the average daily membership in such  
5 district. multiplied by the number of school districts that are  
6 consolidating into the new reorganized Class III school district.

7 (5) Except as otherwise provided in this subsection, ~~base~~  
8 ~~fiscal year incentive payments shall equal fifty percent of the~~  
9 ~~amount calculated pursuant to subsection (4) of this section. Base~~  
10 ~~fiscal year incentive payments~~ support grants shall be calculated  
11 as of August 2 immediately preceding the ~~base fiscal year~~ first  
12 full school fiscal year the consolidation will be in effect and  
13 shall be paid directly to the reorganized Class III district from  
14 the School District Reorganization Fund, ~~pursuant to subsection~~  
15 ~~(6) of this section.~~ The payments shall be made in ten as nearly  
16 as possible equal payments on the last business day of each  
17 month, beginning in September and ending the following June, 7  
18 ~~for the base fiscal year.~~ If the total amount of ~~base fiscal~~  
19 ~~year incentive payments~~ support grants for that school fiscal year  
20 exceeds the amount in the School District Reorganization Fund, the  
21 ~~base fiscal year incentive payments~~ support grants shall be reduced  
22 proportionately so that the total amount of ~~base fiscal year~~  
23 ~~incentive payments~~ support grants equals the amount of funds so  
24 appropriated. ~~The base fiscal year incentive payments~~ For support  
25 grants approved for school fiscal year 2014-15, an amount equal to  
26 any reduction in such support grants for such school fiscal year  
27 shall be paid from the amount available in the School District

1 Reorganization Fund for school fiscal year 2015-16 prior to the  
2 payment of any support grants approved for school fiscal year  
3 2015-16 and shall not be reduced unless the total for support  
4 grants approved for school fiscal year 2014-15 exceeds the total  
5 amount available in the School District Reorganization Fund for the  
6 combination of school fiscal years 2014-15 and 2015-16. The support  
7 grants shall not be included in local system formula resources as  
8 calculated under section 79-1018.01.

9           ~~(6) The amount calculated pursuant to subsection (4)~~  
10 ~~of this section minus the amount of base fiscal year incentive~~  
11 ~~payments pursuant to subsection (5) of this section shall be paid~~  
12 ~~out of any remaining funds in the School District Reorganization~~  
13 ~~Fund after base fiscal year incentive payments. If the total amount~~  
14 ~~of second-year incentive payments exceeds the remaining funds, the~~  
15 ~~second-year incentive payments shall be reduced proportionately so~~  
16 ~~that the total amount of second-year incentive payments equals the~~  
17 ~~amount in the fund. Second-year incentive payments shall not be~~  
18 ~~included in local system formula resources as calculated pursuant~~  
19 ~~to section 79-1018.01.~~

20           Sec. 15. Section 79-1012, Revised Statutes Cumulative  
21 Supplement, 2012, is amended to read:

22           79-1012 The School District Reorganization Fund is  
23 created. The fund shall be administered by the department. The fund  
24 shall consist of money transferred from the Education Innovation  
25 Fund and shall be used to provide ~~payments~~ support grants to  
26 reorganized school districts pursuant to section 79-1011. ~~Any~~  
27 ~~unencumbered money remaining in the School District Reorganization~~

1 ~~Fund on July 1, 2011, shall be transferred to the Education~~  
2 ~~Innovation Fund on such date. Any money remaining in the School~~  
3 ~~District Reorganization Fund on July 1, 2013, shall be transferred~~  
4 ~~to the Education Innovation Fund on such date. Any money in~~  
5 ~~the School District Reorganization Fund available for investment~~  
6 ~~shall be invested by the state investment officer pursuant to~~  
7 ~~the Nebraska Capital Expansion Act and the Nebraska State Funds~~  
8 ~~Investment Act.~~

9           Sec. 16. Section 79-1017.01, Revised Statutes Supplement,  
10 2013, is amended to read:

11           79-1017.01 ~~(1)~~ For state aid calculated for school  
12 fiscal years prior to school fiscal year 2012-13, local system  
13 formula resources includes retirement aid determined under section  
14 79-1028.03, allocated income tax funds determined for each such  
15 district pursuant to the provisions of section 79-1005.01, and  
16 adjustments pursuant to section 79-1008.02.

17           ~~(2)~~ For state aid calculated for school fiscal year  
18 2012-13, local system formula resources includes retirement aid  
19 determined under section 79-1028.03, allocated income tax funds  
20 determined for each district pursuant to section 79-1005.01, and  
21 adjustments pursuant to section 79-1008.02, and is reduced by  
22 amounts paid by the district in the most recently available  
23 complete data year as property tax refunds pursuant to or in the  
24 manner prescribed by section 77-1736.06.

25           ~~(3)~~ (1) For state aid calculated for school fiscal  
26 year 2013-14, local system formula resources includes retirement  
27 aid determined under section 79-1028.03, teacher education aid

1 determined for each district pursuant to subdivision ~~(4)~~ (2) of  
2 section 79-1007.25, instructional time aid determined pursuant  
3 to subsection (2) of section 79-1007.23, allocated income tax  
4 funds determined for each district pursuant to section 79-1005.01,  
5 and adjustments pursuant to section 79-1008.02 and is reduced  
6 by amounts paid by the district in the most recently available  
7 complete data year as property tax refunds pursuant to or in the  
8 manner prescribed by section 77-1736.06.

9 ~~(4)~~ (2) For state aid calculated for school fiscal year  
10 ~~2014-15 and each school fiscal year thereafter,~~ years 2014-15 and  
11 2015-16, local system formula resources includes teacher education  
12 aid determined for each district pursuant to ~~subdivision (4)~~ of  
13 section 79-1007.25, instructional time aid determined pursuant  
14 to subsection (2) of section 79-1007.23, allocated income tax  
15 funds determined for each district pursuant to section 79-1005.01,  
16 and adjustments pursuant to section 79-1008.02 and is reduced  
17 by amounts paid by the district in the most recently available  
18 complete data year as property tax refunds pursuant to or in the  
19 manner prescribed by section 77-1736.06.

20 (3) For state aid calculated for school fiscal year  
21 2016-17 and each school fiscal year thereafter, local system  
22 formula resources includes allocated income tax funds determined  
23 for each district pursuant to section 79-1005.01 and adjustments  
24 pursuant to section 79-1008.02 and is reduced by amounts paid by  
25 the district in the most recently available complete data year as  
26 property tax refunds pursuant to or in the manner prescribed by  
27 section 77-1736.06.

1           Sec. 17. Section 79-1028.01, Revised Statutes Supplement,  
2 2013, is amended to read:

3           79-1028.01 (1) For each school fiscal year, a school  
4 district may exceed its budget authority for the general fund  
5 budget of expenditures as calculated pursuant to section 79-1023  
6 for such school fiscal year by a specific dollar amount for the  
7 following exclusions:

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

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

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

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

23           (e) Expenditures to pay for employer contributions  
24 pursuant to subsection (2) of section 79-958 to the School  
25 Employees Retirement System of the State of Nebraska to the extent  
26 that such expenditures exceed the employer contributions under such  
27 subsection that would have been made at a contribution rate of

1 seven and thirty-five hundredths percent;

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

9 (g) Expenditures for sums agreed to be paid by a school  
10 district to certificated employees in exchange for a voluntary  
11 termination occurring prior to July 1, 2009, occurring on or after  
12 the last day of the 2010-11 school year and prior to the first  
13 day of the 2013-14 school year, or, to the extent that a district  
14 demonstrates to the State Board of Education pursuant to subsection  
15 (3) of this section that the agreement will result in a net savings  
16 in salary and benefit costs to the school district over a five-year  
17 period, occurring on or after the first day of the 2013-14 school  
18 year;

19 (h) Any expenditures in school fiscal years 2016-17  
20 and 2017-18 of amounts specified in the notice provided by the  
21 Commissioner of Education pursuant to section 79-309.01 for teacher  
22 performance pay;

23 (i) The special education budget of expenditures; and

24 (j) Expenditures of special grant funds.

25 (2) For each school fiscal year, a school district  
26 may exceed its budget authority for the general fund budget of  
27 expenditures as calculated pursuant to section 79-1023 for such



1 school fiscal year by a specific dollar amount and include such  
2 dollar amount in the budget of expenditures used to calculate  
3 budget authority for the general fund budget of expenditures  
4 pursuant to section 79-1023 for future years for the following  
5 exclusions:

6 (a) Expenditures of ~~incentive payments or base fiscal~~  
7 ~~year incentive payments~~ support grants to be received in such  
8 school fiscal year pursuant to section 79-1011;

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

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

26 (d) For the first school fiscal year for which early  
27 childhood education membership is included in formula students for

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

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

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

13 Sec. 18. Section 79-1101, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15 79-1101 (1) The Legislature finds and declares that:

16 (a) Early childhood education programs can assist children in  
17 achieving their potential as citizens, workers, and human beings  
18 and can strengthen families; (b) early childhood education has  
19 been proven to be a sound public investment of funds not only  
20 in assuring productive, taxpaying workers in the economy but also  
21 in avoidance of increasingly expensive social costs for those who  
22 drop out as productive members of society; (c) the key ingredient  
23 in an effective early childhood education program is a strong  
24 family development and support component because the role of the  
25 parent is of critical importance; (d) while all children can  
26 benefit from quality, developmentally appropriate early childhood  
27 education experiences, such experiences are especially important

1 for at-risk infants and children; (e) current early childhood  
2 education programs serve only a fraction of Nebraska's children and  
3 the quality of current programs varies widely; (f) well-designed  
4 early childhood education programs increase the likelihood that  
5 children who participate will enter school prepared to achieve high  
6 standards; (g) effective early childhood education programs require  
7 staff with knowledge about child growth, development, and learning  
8 and family systems; and (h) both public and nonpublic programs  
9 which meet recognized standards of quality can address the growth,  
10 development, and learning needs of young children.

11 (2) (a) It is the intent of the Legislature and the public  
12 policy of this state to encourage schools and community-based  
13 organizations to work together to provide high-quality early  
14 childhood education programs for infants and young children which  
15 include family involvement, with the goal of assuring that every  
16 family in Nebraska has access to such programs for, at the  
17 minimum, the school year prior to the school year for which the  
18 child will be eligible to attend kindergarten. The purposes of  
19 sections 79-1101 to 79-1104.05 are to provide state assistance  
20 to selected school districts, cooperatives of school districts,  
21 and educational service units for early childhood education, to  
22 encourage coordination between public and private service providers  
23 of early childhood education and child care programs, and to  
24 provide state support for efforts to improve training opportunities  
25 for staff in such programs.

26 (b) It is the further intent of the Legislature that  
27 any additional funds appropriated on or after January 1, 2014, for

1 FY2014-15 for early childhood education grants pursuant to section  
2 79-1103 be used to assist schools and community-based organizations  
3 in working together to expand the access to such high-quality  
4 early childhood education programs for children for the school year  
5 prior to the school year for which the child will be eligible to  
6 attend kindergarten and that the unobligated balance of any such be  
7 reappropriated for such purpose for FY2015-16 and FY2016-17.

8 (3) For purposes of sections 79-1101 to 79-1104.05:

9 (a) Board of trustees means the Early Childhood Education  
10 Endowment Board of Trustees;

11 (b) Early childhood education program means any  
12 prekindergarten part-day or full-day program or in-home  
13 family support program with a stated purpose of promoting  
14 social, emotional, intellectual, language, physical, and  
15 aesthetic development and learning for children from birth to  
16 kindergarten-entrance age and family development and support;

17 (c) Endowment agreement means an agreement between the  
18 State Department of Education and an endowment provider entered  
19 into pursuant to section 79-1104.01; and

20 (d) Endowment provider means an endowment that has met  
21 the criteria described in section 79-1104.01 and that has entered  
22 into an endowment agreement.

23 Sec. 19. Section 79-1102, Reissue Revised Statutes of  
24 Nebraska, is amended to read:

25 79-1102 (1) ~~On September 17, 2007, an~~ An Early Childhood  
26 Training Center shall be established within the State Department of  
27 Education. The purpose of the center is to train individuals who

1 provide education and development activities for infants and young  
2 children and their parents. The center, taking into consideration  
3 existing public and private training efforts, shall provide support  
4 and assistance to schools and public and private providers of  
5 early childhood education services in developing training programs  
6 for staff. The center, in consultation with the Department of  
7 Health and Human Services, shall approve training that is used  
8 to satisfy child care licensing criteria for required training,  
9 annual inservice training, and training needed for participation  
10 or advancement in the quality rating and improvement system  
11 established pursuant to the Step Up to Quality Child Care Act.  
12 The center, taking into consideration existing public and private  
13 training efforts, shall also provide clearinghouse information  
14 and publications on available early childhood education training  
15 opportunities throughout the state.

16 (2) The center shall establish a statewide training  
17 program to support the development of parent education programs in  
18 local communities. The goal of this project is to train individuals  
19 who will be able to work with public and private providers of early  
20 childhood services to establish parent education programs in their  
21 communities.

22 ~~(3) Effective September 1, 2007, the department shall~~  
23 ~~assume the direct responsibility for all operations of the Early~~  
24 ~~Childhood Training Center operated under the jurisdiction of the~~  
25 ~~department by an educational service unit prior to September 1,~~  
26 ~~2007.~~

27 ~~(4) Any employees of an educational service unit which~~

1 operated the Early Childhood Training Center prior to September 1,  
2 2007, who separate from employment with the educational service  
3 unit effective August 31, 2007, to become employees of the  
4 department on September 1, 2007, shall be subject to the following  
5 provisions:

6 (a) The educational service unit shall transfer to the  
7 department all accrued sick leave of each transferred employee and  
8 up to a maximum of two hundred eighty accrued vacation leave hours  
9 of each transferred employee;

10 (b) The educational service unit shall not be required to  
11 reimburse the department for any of the value of the accrued sick  
12 or vacation leave hours transferred; and

13 (c) For purposes of establishing seniority and rates  
14 for earning sick and vacation leave, such employees shall have  
15 a service date with the department beginning September 1, 2007.  
16 Any employee who returns to employment with the department after  
17 a break in service of less than five calendar years shall have  
18 his or her prior service recognized and the beginning service date  
19 adjusted accordingly for the period of absence.

20 Sec. 20. The Commissioner of Education shall appoint  
21 a student achievement coordinator, subject to confirmation by a  
22 majority vote of the members of the State Board of Education. The  
23 coordinator shall have a background and training in addressing  
24 the unique educational needs of low-achieving students, including  
25 students in poverty, limited English proficient students, and  
26 highly mobile students. The coordinator shall evaluate and  
27 coordinate existing resources for effective programs to increase

1 for such students across the state and shall review poverty plans  
2 submitted to the department pursuant to section 79-1013 and limited  
3 English proficiency plans submitted to the department pursuant to  
4 section 79-1014 to ascertain successful practices being used by  
5 school districts in Nebraska and to assist school districts in  
6 improving their poverty and limited English proficiency plans,  
7 including the evaluation components. The coordinator need not  
8 review the poverty and limited English proficiency plans of each  
9 school district on an annual basis but shall develop a review  
10 schedule which assures that plans are reviewed periodically.

11           Sec. 21. Section 79-1118.01, Revised Statutes Supplement,  
12 2013, is amended to read:

13           79-1118.01 Disability means an impairment which causes  
14 a child to be diagnosed with an intellectual disability; a  
15 hearing, speech, language, or visual impairment; a behavioral  
16 disorder; an orthopedic impairment; another health impairment;  
17 deafness or blindness; or a developmental delay or as having  
18 multiple disabilities or specific learning disabilities, traumatic  
19 brain injury, or autism identified as having at least one of  
20 the conditions defined in this section and causes such child to  
21 need special education and related services. For purposes of this  
22 section:

23           (1) Autism means a developmental disability significantly  
24 affecting verbal and nonverbal communication and social  
25 interaction, generally evident before age three, that adversely  
26 affects a child's educational performance. Other characteristics  
27 often associated with autism are engagement in repetitive

1 activities and stereotyped movements, resistance to environmental  
2 change or change in daily routines, and unusual responses to  
3 sensory experiences. Autism does not apply if a child's educational  
4 performance is adversely affected primarily because the child has a  
5 ~~serious~~ an emotional disturbance;

6 ~~(2) Behavior disorder means a condition in which a child~~  
7 ~~exhibits one or more of the following characteristics over a long~~  
8 ~~period of time and to a marked degree which adversely affects~~  
9 ~~educational performance;~~

10 ~~(a) An inability to learn which cannot be explained by~~  
11 ~~intellectual, sensory, or health factors;~~

12 ~~(b) An inability to build or maintain satisfactory~~  
13 ~~interpersonal relationships with peers and teachers;~~

14 ~~(c) Inappropriate types of behavior or feelings under~~  
15 ~~normal circumstances;~~

16 ~~(d) A general pervasive mood of unhappiness or~~  
17 ~~depression; or~~

18 ~~(e) A tendency to develop physical symptoms or fears~~  
19 ~~associated with personal or school problems.~~

20 ~~Behavior disorder includes schizophrenia but does not~~  
21 ~~include social maladjustment unless the characteristics defined in~~  
22 ~~subdivision (a) or (b) of this subdivision are also present;~~

23 ~~(3) (2) Blind and visually impaired means partially~~  
24 ~~seeing or blind, which visual impairment, even with correction,~~  
25 ~~adversely affects a child's educational performance;~~

26 ~~(4) (3) Deaf means a hearing impairment which is so~~  
27 ~~severe that processing linguistic information through hearing,~~



1 with or without amplification, is impaired to the extent that  
2 educational performance is adversely affected;

3 ~~(5)~~ (4) Deaf-blind means concomitant hearing and  
4 visual impairments, the combination of which causes such severe  
5 communication and other developmental and educational problems  
6 that such impairments cannot be accommodated in special education  
7 programs solely for children who are deaf or blind;

8 ~~(6)~~ (5) Developmental delay means either (a) a  
9 significant delay in function in one or more of the following  
10 areas: ~~(a)~~ (i) Cognitive development; ~~(b)~~ (ii) physical  
11 development; ~~(c)~~ (iii) communication development; ~~(d)~~ (iv) social  
12 or emotional development; or ~~(e)~~ (v) adaptive behavior or skills  
13 development, or (b) a diagnosed physical or mental condition that  
14 has a high probability of resulting in a substantial delay in  
15 function in one or more of such areas;

16 (6) (a) Emotional disturbance means a condition in which  
17 a student exhibits one or more of the following characteristics  
18 over a long period of time and to a marked degree which adversely  
19 affects educational performance:

20 (i) An inability to learn which cannot be explained by  
21 intellectual, sensory, or health factors;

22 (ii) An inability to build or maintain satisfactory  
23 interpersonal relationships with peers and teachers;

24 (iii) Inappropriate types of behavior or feelings under  
25 normal circumstances;

26 (iv) A general pervasive mood of unhappiness or  
27 depression; or

1           (v) A tendency to develop physical symptoms or fears  
2 associated with personal or school problems.

3           (b) Emotional disturbance includes schizophrenia but does  
4 not include social maladjustment unless a characteristic defined in  
5 subdivision (6) (a) (i) or (ii) of this section is also present;

6           (7) Hard of hearing means a hearing impairment, whether  
7 permanent or fluctuating, which adversely affects educational  
8 performance but is not included under the term deaf in subdivision  
9 ~~(4)~~ (3) of this section;

10           (8) Intellectual disability means a condition in which  
11 a child exhibits significantly subaverage general intellectual  
12 functioning existing concurrently with deficits in adaptive  
13 behavior and manifested during the developmental period which  
14 adversely affects educational performance;

15           (9) Multiple disabilities means concomitant impairments,  
16 such as intellectual disability-blind or intellectual  
17 disability-orthopedic impairment, the combination of which causes  
18 such severe educational problems that a child with such impairments  
19 cannot be accommodated in special education programs for one of the  
20 impairments. Multiple disabilities does not include deaf-blind;

21           (10) Orthopedic impairment means a severe orthopedic  
22 impairment which adversely affects a child's educational  
23 performance. Severe orthopedic impairments include impairments  
24 caused by (a) congenital anomaly, including, but not limited to,  
25 clubfoot or absence of a member, (b) disease, including, but  
26 not limited to, poliomyelitis or bone tuberculosis, or (c) other  
27 causes, including, but not limited to, cerebral palsy, amputations,

1 and fractures and burns which cause contractures;

2 (11) Other health impaired means having limited strength,  
3 vitality, or alertness due to chronic or acute health problems,  
4 including, but not limited to, a heart condition, tuberculosis,  
5 rheumatic fever, nephritis, asthma, sickle cell anemia, hemophilia,  
6 epilepsy, lead poisoning, leukemia, or diabetes, which adversely  
7 affects a child's educational performance;

8 (12) Specific learning disability means a disorder in  
9 one or more of the basic psychological processes involved in  
10 understanding or in using language, spoken or written, which may  
11 manifest itself in an imperfect ability to listen, think, speak,  
12 read, write, spell, or do mathematical calculations. Specific  
13 learning disability includes, but is not limited to, perceptual  
14 disabilities, brain injury, minimal brain dysfunction, dyslexia,  
15 and developmental aphasia;

16 (13) Speech-and-language-impaired means having a  
17 communication disorder such as stuttering, impaired articulation,  
18 language impairments, or voice impairment which adversely affects a  
19 child's educational performance; and

20 (14) Traumatic brain injury means an acquired injury  
21 to the brain caused by an external physical force, resulting  
22 in total or partial functional disability or psychosocial  
23 impairment, or both, that adversely affects a child's educational  
24 performance. Traumatic brain injury applies to open or closed  
25 head injuries resulting in impairments in one or more areas,  
26 including cognition; language; memory; attention; reasoning;  
27 abstract thinking; judgment; problem solving; sensory, perceptual,

1 and motor abilities; psychosocial behavior; physical functions;  
2 information processing; and speech. Traumatic brain injury does not  
3 include brain injuries that are congenital or degenerative or brain  
4 injuries induced by birth trauma.

5 The State Department of Education may group or subdivide  
6 the classifications of children with disabilities for the purpose  
7 of program description and reporting. The department shall  
8 establish eligibility criteria and age ranges for the disability  
9 classification of developmental delay.

10 Sec. 22. Section 79-1337, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12 79-1337 (1) For fiscal years 2007-08 through 2015-16,  
13 the State Department of Education shall provide distance education  
14 incentives from the Education Innovation Fund to school districts  
15 and educational service units for qualified distance education  
16 courses coordinated through the Distance Education Council until  
17 July 1, 2008, and the Educational Service Unit Coordinating Council  
18 on and after July 1, 2008, as provided in this section.

19 (2) School districts and educational service units shall  
20 apply for incentives annually through calendar year 2015 to the  
21 department on or before August 1 on a form specified by the  
22 department. The application shall:

23 (a) For school districts, specify (i) the qualified  
24 distance education courses which were received by students in the  
25 membership of the district in the then-current school fiscal year  
26 and which were not taught by a teacher employed by the school  
27 district and (ii) for each such course (A) the number of students

1 in the membership of the district who received the course, (B)  
2 the educational entity employing the teacher, and (C) whether the  
3 course was a two-way interactive video distance education course;  
4 and

5 (b) For school districts and educational service units,  
6 specify (i) the qualified distance education courses which were  
7 received by students in the membership of another educational  
8 entity in the then-current school fiscal year and which were taught  
9 by a teacher employed by the school district or educational service  
10 unit, (ii) for each such course for school districts, the number of  
11 students in the membership of the district who received the course,  
12 and (iii) for each such course (A) the other educational entities  
13 in which students received the course and how many students  
14 received the course at such educational entities, (B) any school  
15 district that is sparse or very sparse as such terms are defined  
16 in section 79-1003 that had at least one student in the membership  
17 who received the course, and (C) whether the course was a two-way  
18 interactive video distance education course.

19 (3) On or before September 1 of each year through  
20 calendar year 2015, the department shall certify the incentives for  
21 each school district and educational service unit which shall be  
22 paid on or before October 1 of such year. The incentives for each  
23 district shall be calculated as follows:

24 (a) Each district shall receive distance education units  
25 for each qualified distance education course as follows:

26 (i) One distance education unit for each qualified  
27 distance education course received as reported pursuant to

1 subdivision (2)(a) of this section if the course was a two-way  
2 interactive video distance education course;

3 (ii) One distance education unit for each qualified  
4 distance education course sent as reported pursuant to subdivision  
5 (2)(b) of this section if the course was not received by at least  
6 one student who was in the membership of another school district  
7 which was sparse or very sparse;

8 (iii) One distance education unit for each qualified  
9 distance education course sent as reported pursuant to subdivision  
10 (2)(b) of this section if the course was received by at least  
11 one student who was in the membership of another school district  
12 which was sparse or very sparse, but the course was not a two-way  
13 interactive video distance education course; and

14 (iv) Two distance education units for each qualified  
15 distance education course sent as reported pursuant to subdivision  
16 (2)(b) of this section if the course was received by at least one  
17 student who was in the membership of another school district which  
18 was sparse or very sparse and the course was a two-way interactive  
19 video distance education course;

20 (b) The difference of the amount available for  
21 distribution in the Education Innovation Fund on the August 1 when  
22 the applications were due minus any amount to be paid to school  
23 districts pursuant to section 79-1336 shall be divided by the  
24 number of distance education units to determine the incentive per  
25 distance education unit, except that the incentive per distance  
26 education unit shall not equal an amount greater than one thousand  
27 dollars; and

1           (c) The incentives for each school district shall equal  
2 the number of distance education units calculated for the school  
3 district multiplied by the incentive per distance education unit.

4           (4) If there are additional funds available for  
5 distribution after equipment reimbursements pursuant to section  
6 79-1336 and incentives calculated pursuant to subsections (1)  
7 through (3) of this section, school districts and educational  
8 service units may qualify for additional incentives for elementary  
9 distance education courses. Such incentives shall be calculated  
10 for sending and receiving school districts and educational service  
11 units as follows:

12           (a) The per-hour incentives shall equal the funds  
13 available for distribution after equipment reimbursements pursuant  
14 to section 79-1336 and incentives calculated pursuant to  
15 subsections (1) through (3) of this section divided by the sum of  
16 the hours of elementary distance education courses sent or received  
17 for each school district and educational service unit submitting  
18 an application, except that the per-hour incentives shall not be  
19 greater than ten dollars; and

20           (b) The elementary distance education incentives for  
21 each school district and educational service unit shall equal the  
22 per-hour incentive multiplied by the hours of elementary distance  
23 education courses sent or received by the school district or  
24 educational service unit.

25           (5) The department may verify any or all application  
26 information using annual curriculum reports and may request such  
27 verification from the council.

1                   (6) On or before October 1 of each year through calendar  
2 year 2015, a school district or educational service unit may appeal  
3 the denial of incentives for any course by the department to the  
4 State Board of Education. The board shall allow a representative  
5 of the school district or educational service unit an opportunity  
6 to present information concerning the appeal to the board at the  
7 November board meeting. If the board finds that the course meets  
8 the requirements of this section, the department shall pay the  
9 district from the Education Innovation Fund as soon as practical in  
10 an amount for which the district or educational service unit should  
11 have qualified based on the incentive per distance education unit  
12 used in the original certification of incentives pursuant to this  
13 section.

14                   (7) The State Board of Education shall adopt and  
15 promulgate rules and regulations to carry out this section.

16                   Sec. 23. Section 79-2306, Revised Statutes Supplement,  
17 2013, is amended to read:

18                   79-2306 Using the funds allocated from the Education  
19 Innovation Fund pursuant to subdivision ~~(4)(e)(viii)~~ (4)(b)(viii)  
20 of section 9-812, the State Department of Education shall provide  
21 each institution offering a high school equivalency program a  
22 one-time payment for the acquisition and upgrade of equipment and  
23 software necessary to administer examinations for diplomas of high  
24 school equivalency.

25                   Sec. 24. Section 85-1603, Revised Statutes Supplement,  
26 2013, is amended to read:

27                   85-1603 For purposes of the Private Postsecondary Career



1 School Act:

2 (1) Agent means any person who owns any interest in, is  
3 employed by, or regularly represents for remuneration a private  
4 postsecondary career school located within or outside this state  
5 who (a) by solicitation made in this state enrolls or seeks  
6 to enroll a resident of this state for education offered by  
7 such school, (b) offers to award educational credentials for  
8 remuneration on behalf of any such school, or (c) holds himself  
9 or herself out to residents of this state as representing such a  
10 school;

11 (2) Agent's permit means a nontransferable, written  
12 authorization issued to a natural person by the department which  
13 allows that person to solicit or enroll any resident of this state  
14 for education in a private postsecondary career school;

15 (3) Authorization to operate means approval by the  
16 department to operate a private postsecondary career school in  
17 this state;

18 (4) Board means the State Board of Education;

19 (5) Branch facility means a facility (a) which is  
20 separate from a principal facility, (b) which offers a full program  
21 and full student services, (c) which is under the supervision of  
22 an onsite director or administrator, and (d)(i) the ownership,  
23 management, and control of which are the same as the principal  
24 facility, which principal facility is responsible for the delivery  
25 of all services, or (ii) at which education is offered by a  
26 franchisee of a franchisor authorized to operate as a private  
27 postsecondary career school pursuant to the act if the franchisor

1 establishes the course curriculum and guidelines for teaching at  
2 the franchisee's facility;

3 (6) Commission means the Coordinating Commission for  
4 Postsecondary Education;

5 (7) Commissioner means the Commissioner of Education;

6 (8) Course of study or instruction means a program of  
7 study, training, or instruction consisting of a series of lessons  
8 or classes which are coordinated as a curriculum or program of  
9 instruction to prepare or qualify individuals or improve or upgrade  
10 the skills needed for employment, career opportunities, or any  
11 specific occupation;

12 (9) Department means the State Department of Education;

13 (10) Distance education means instruction offered by any  
14 means in which the student and faculty member are in separate  
15 physical locations and includes, but is not limited to, online,  
16 interactive video, and correspondence courses or programs;

17 ~~(10)~~ (11) Education or educational services means any  
18 class, course, or program of occupational training, instruction, or  
19 study;

20 ~~(11)~~ (12) Entity means any individual, company, firm,  
21 society, group, association, partnership, limited liability  
22 company, corporation, trust, or other person;

23 ~~(12)~~ (13) Grant, with respect to educational credentials,  
24 means award, sell, confer, bestow, or give;

25 ~~(13)~~ Home study school means a school which provides  
26 correspondence lesson materials prepared in a sequential and  
27 logical order for study and completion by a student on his

1 or her own, with completed lessons returned by the student to  
2 the school for evaluation and subsequent return to the student,  
3 including those schools which offer instruction by home study in  
4 combination with in-residence training;

5 (14) Offer includes, in addition to its usual meaning,  
6 advertising, publicizing, soliciting, or encouraging any person,  
7 directly or indirectly, in any form, to perform a described act;

8 (15) Out-of-state school means any private postsecondary  
9 career school which has its place of instruction or its principal  
10 location outside the boundaries of this state and which offers or  
11 conducts courses of instruction or subjects on the premises of the  
12 school, or provides correspondence or home study lesson materials,  
13 distance education, or offers or provides Nebraska students with  
14 courses of instruction or subjects through activities engaged in or  
15 conducted outside the boundaries of Nebraska;

16 (16) Principal facility or main school means a private  
17 postsecondary career school located in the State of Nebraska;

18 (17) Private postsecondary career school means any  
19 organization or business enterprise which is not specifically  
20 exempt under section 85-1604 and which offers a course of study  
21 or instruction for which tuition is charged, even though the  
22 organization's or business enterprise's principal efforts may not  
23 be exclusively educational in nature;

24 (18) Resident school means any school offering courses of  
25 instruction to its students on the school's premises;

26 (19) Separate classroom means a supplemental training  
27 space (a) which is located near the main school for the purpose

1 of expanding the educational offerings or for training an overflow  
2 of students who cannot be accommodated at the main school, (b)  
3 which is close enough to the main school to assure immediate  
4 supervision and administration of all essential student services  
5 by the main school and ready access by students to the student  
6 services available, and (c) in which the only required onsite  
7 service is teaching; and

8 (20) Short-term training means classes, courses, or  
9 programs of instruction or study that are offered for the purpose  
10 of training, preparing, or improving a person for an occupation  
11 when (a) the total hours of instruction required for completion is  
12 sixteen clock hours or less and (b) no final course grade is given  
13 to persons enrolled.

14 Sec. 25. Section 85-1604, Revised Statutes Supplement,  
15 2013, is amended to read:

16 85-1604 The following education and schools are exempted  
17 from the Private Postsecondary Career School Act:

18 (1) Schools exclusively offering instruction at any or  
19 all levels from preschool through the twelfth grade;

20 (2) Education sponsored by a bona fide trade, business,  
21 professional, or fraternal organization which is offered solely for  
22 that organization's membership or offered without charge;

23 (3) Education provided by or funded by an employer and  
24 offered solely to its employees for the purpose of improving such  
25 persons in such employment;

26 (4) Education solely avocational or recreational in  
27 nature as determined by the department;

1           (5) Educational programs offered by a charitable  
2 institution, organization, or agency as long as such education  
3 or training is not advertised or promoted as leading toward  
4 occupational objectives;

5           (6) Public postsecondary schools established, operated,  
6 and governed by this state or its political subdivisions or similar  
7 entities in other states as determined by the department;

8           (7) Schools or organizations offering education or  
9 instruction that is not part of a degree program leading to an  
10 associate, a baccalaureate, a graduate, or a professional degree  
11 which are licensed and regulated by agencies of this state other  
12 than the department, except that such schools or organizations  
13 shall not be exempt from the act with respect to agents' permits  
14 and the Tuition Recovery Cash Fund;

15           (8) Schools or organizations which offer education or  
16 instruction and which are licensed and regulated solely by an  
17 agency of the federal government with respect to curriculum and  
18 qualifications of instructional staff;

19           (9) Any postsecondary institution offering or proposing  
20 to offer courses or programs leading to a baccalaureate, graduate,  
21 or professional degree, but whose offerings may include associate  
22 degree programs, diplomas, and other certificates based on the  
23 award of college credit, including any such institutions that were  
24 regulated prior to May 5, 2011, as private postsecondary career  
25 schools pursuant to the Private Postsecondary Career School Act;  
26 and

27           (10) Entities exclusively offering short-term training;

1 and-

2 (11) Distance education programs offered by out-of-state  
3 schools are authorized in accordance with an interstate reciprocity  
4 agreement for the provision of postsecondary distance education  
5 across state boundaries entered into and administered pursuant to  
6 subdivisions (5) and (6) of section 85-2405.

7 Sec. 26. Section 85-2405, Revised Statutes Supplement,  
8 2013, is amended to read:

9 85-2405 The commission has the following powers and  
10 duties:

11 (1) To establish levels for recurrent authorizations to  
12 operate based on institutional offerings;

13 (2) To receive, investigate as it may deem necessary, and  
14 act upon applications for a recurrent authorization to operate and  
15 applications to renew a recurrent authorization to operate;

16 (3) To establish reporting requirements by campus  
17 location either through the federal Integrated Postsecondary  
18 Education Data System, 20 U.S.C. 1094(a)(17), as such section  
19 existed on January 1, 2011, and 34 C.F.R. 668.14(b)(19), as  
20 such regulation existed on January 1, 2011, or directly to  
21 the commission for any postsecondary institution which has an  
22 authorization to operate;

23 (4) To maintain a list of postsecondary institutions  
24 which have authorization to operate, which list shall be made  
25 available to the public;

26 (5) ~~To~~ After consultation with the State Department of  
27 Education regarding the potential impact of such agreement and any

1 modifications thereto on Nebraska students who may participate in  
2 distance education offered by out-of-state private postsecondary  
3 career schools, to enter into interstate reciprocity agreements  
4 ~~regarding for the~~ provision of postsecondary distance education, ~~to~~  
5 across state boundaries;

6 ~~(6)~~ To administer such agreements, interstate reciprocity  
7 agreements entered into pursuant to subdivision (5) of this section  
8 and to approve or disapprove, consistent with such agreements,  
9 participation in such agreements by postsecondary institutions that  
10 have their principal place of business in Nebraska and that choose  
11 to participate in such agreements;

12 ~~(6)~~ (7) To establish a notification process when a  
13 postsecondary institution which has an authorization to operate  
14 changes its address or adds instructional sites within this state;

15 ~~(7)~~ (8) To conduct site visits of postsecondary  
16 institutions to carry out the Postsecondary Institution Act;

17 ~~(8)~~ (9) To establish fees for applications for a  
18 recurrent authorization to operate, applications to renew or  
19 modify a recurrent authorization to operate, and applications  
20 to participate or continue participation in an interstate  
21 postsecondary distance education reciprocity agreement, which fees  
22 shall be not more than the cost of reviewing and evaluating the  
23 applications;

24 ~~(9)~~ (10) To investigate any violations of the act by a  
25 postsecondary institution; and

26 ~~(10)~~ (11) To adopt and promulgate rules, regulations, and  
27 procedures to administer the act.

1           Sec. 27. Section 85-2407, Revised Statutes Cumulative  
2 Supplement, 2012, is amended to read:

3           85-2407 The following are exempt from the Postsecondary  
4 Institution Act:

5           (1) Any institution or organization which offers  
6 education or instruction and which is licensed and regulated solely  
7 by an agency of the federal government with respect to curriculum  
8 and qualifications of instructional staff; or

9           (2) Any private postsecondary career school as defined  
10 in the Private Postsecondary Career School Act, except for  
11 purposes of interstate reciprocity agreements for the provision  
12 of postsecondary distance education across state boundaries entered  
13 into and administered pursuant to subdivisions (5) and (6) of  
14 section 85-2405.

15           Sec. 28. Original sections 1-116, 79-526, 79-535,  
16 79-1101, 79-1102, and 79-1337, Reissue Revised Statutes of  
17 Nebraska, sections 79-319, 79-759, 79-8,133, 79-8,137.01,  
18 79-8,137.05, 79-1011, 79-1012, and 85-2407, Revised Statutes  
19 Cumulative Supplement, 2012, and sections 9-812, 79-1003,  
20 79-1007.11, 79-1007.23, 79-1007.25, 79-1017.01, 79-1028.01,  
21 79-1118.01, 79-2306, 85-1603, 85-1604, and 85-2405, Revised  
22 Statutes Supplement, 2013, are repealed.

23           Sec. 29. Since an emergency exists, this act takes effect  
24 when passed and approved according to law.