

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1131

Introduced by Groene, 42.

Read first time January 22, 2020

Committee: Education

1 A BILL FOR AN ACT relating to education; to amend sections 38-316,
2 38-10,109, 38-1813, 38-2613, 38-2616, 38-3106, 71-8404, 76-2203.01,
3 77-2704.12, 77-27,119, 79-422, 79-433, 79-449, 79-8,133, 79-10,119,
4 79-1103, 79-1605, 79-2118, 85-505, 85-507, and 85-1609, Reissue
5 Revised Statutes of Nebraska, sections 1-116, 38-3901, 58-809,
6 79-611, 79-8,137.01, 79-1007.11, 79-1035, 79-1065.02, 79-1075,
7 79-1241.03, 79-1504, 79-2104.02, 79-2603, 79-2604, 79-2605, and
8 79-2606, Revised Statutes Cumulative Supplement, 2018, and sections
9 77-1601.02, 79-807, 79-1003, and 79-1074, Revised Statutes
10 Supplement, 2019; to change tax levy notice provisions; to eliminate
11 obsolete provisions and terminology; to update terminology; to
12 redefine terms and eliminate obsolete provisions in the Tax Equity
13 and Educational Opportunities Support Act; to change provisions
14 relating to distribution of school funds from school lands as
15 prescribed; to remove a hearing requirement; to reflect boundary
16 changes and the timing of payments of core services and technology
17 infrastructure funds as prescribed; to change the membership of the
18 Education Commission of the States; to change diversity plan
19 requirements; to change reporting deadlines; to change requirements
20 under the Nebraska Reading Improvement Act as prescribed; to
21 eliminate a grant program; to harmonize provisions; to repeal the
22 original sections; and to outright repeal sections 79-308 and
23 79-309.01, Revised Statutes Cumulative Supplement, 2018.

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

1 Section 1. Section 1-116, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 1-116 Prior to January 1, 1998, a person shall be eligible to take
4 the examination described in section 1-114 if he or she meets the
5 requirements of subdivision (1)(a) of section 1-114.

6 Any person making initial application on or after January 1, 1998,
7 to take the examination described in section 1-114 shall be eligible to
8 take the examination if he or she has completed at least one hundred
9 fifty semester hours or two hundred twenty-five quarter hours of
10 postsecondary academic credit and has earned a baccalaureate or higher
11 degree from a college or university accredited by an ~~a regional~~
12 accrediting agency recognized by the United States Department of
13 Education or a similar agency as determined to be acceptable by the
14 board. The person shall demonstrate that accounting, auditing, business,
15 and other subjects at the appropriate academic level as required by the
16 board are included within the required hours of postsecondary academic
17 credit. A person who expects to complete the postsecondary academic
18 credit and earn the degree as required by this section within sixty days
19 following when the examination is held shall be eligible to take such
20 examination, but such person shall not receive any credit for such
21 examination unless evidence satisfactory to the board showing that such
22 person has completed the postsecondary academic credit and earned the
23 degree as required by this section is received by the board within ninety
24 days following when the examination is held. The board shall not
25 prescribe the specific curricula of colleges or universities. If the
26 applicant is an individual, the application shall include the applicant's
27 social security number.

28 Sec. 2. Section 38-316, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 38-316 (1) To be licensed to practice as an alcohol and drug
31 counselor, an applicant shall meet the requirements for licensure as a

1 provisional alcohol and drug counselor under section 38-314, shall
2 receive a passing score on an examination approved by the board, and
3 shall have six thousand hours of supervised clinical work experience
4 providing alcohol and drug counseling services to alcohol and other drug
5 clients for remuneration. The experience shall be polydrug counseling
6 experience.

7 (2) The experience shall include carrying a client caseload as the
8 primary alcohol and drug counselor performing the core functions of
9 assessment, treatment planning, counseling, case management, referral,
10 reports and record keeping, and consultation with other professionals for
11 those clients. The experience shall also include responsibility for
12 performance of the five remaining core functions although these core
13 functions need not be performed by the applicant with each client in
14 their caseload.

15 (3) Experience that shall not count towards licensure shall include,
16 but not be limited to:

17 (a) Providing services to individuals who do not have a diagnosis of
18 alcohol and drug abuse or dependence such as prevention, intervention,
19 and codependency services or other mental health disorder counseling
20 services, except that this shall not exclude counseling services provided
21 to a client's significant others when provided in the context of
22 treatment for the diagnosed alcohol or drug client; and

23 (b) Providing services when the experience does not include primary
24 case responsibility for alcohol or drug treatment or does not include
25 responsibility for the performance of all of the core functions.

26 (4) The maximum number of hours of experience that may be accrued
27 are forty hours per week or two thousand hours per year.

28 (5)(a) A postsecondary educational degree may be substituted for
29 part of the supervised clinical work experience. The degree shall be from
30 ~~an a-regionally~~ accredited postsecondary educational institution or the
31 educational program shall be accredited by a nationally recognized

1 ~~accreditation agency.~~

2 (b) An associate's degree in addictions or chemical dependency may
3 be substituted for one thousand hours of supervised clinical work
4 experience.

5 (c) A bachelor's degree with a major in counseling, addictions,
6 social work, sociology, or psychology may be substituted for two thousand
7 hours of supervised clinical work experience.

8 (d) A master's degree or higher in counseling, addictions, social
9 work, sociology, or psychology may be substituted for four thousand hours
10 of supervised clinical work experience.

11 (e) A substitution shall not be made for more than one degree.

12 Sec. 3. Section 38-10,109, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 38-10,109 (1) The procedure for renewing a school license shall be
15 in accordance with section 38-143, except that in addition to all other
16 requirements, the school of cosmetology or school of esthetics shall
17 provide evidence of minimal property damage, bodily injury, and liability
18 insurance coverage and shall receive a satisfactory rating on an
19 accreditation inspection conducted by the department within the six
20 months immediately prior to the date of license renewal.

21 (2) Any school of cosmetology or school of esthetics which has
22 current accreditation from an ~~a national~~ accrediting organization
23 approved by the board shall be considered to satisfy the accreditation
24 requirements outlined in this section, except that successful completion
25 of an operation inspection shall be required. Each school of cosmetology
26 or school of esthetics, whether or not it is ~~nationally~~ accredited, shall
27 satisfy all curriculum and sanitation requirements outlined in the
28 Cosmetology, Electrology, Esthetics, Nail Technology, and Body Art
29 Practice Act to maintain its license.

30 (3) Any school not able to meet the requirements for license renewal
31 shall have its license placed on inactive status until all deficiencies

1 have been corrected, and the school shall not operate in any manner
2 during the time its license is inactive. If the deficiencies are not
3 corrected within six months of the date of license renewal, the license
4 may be revoked unless the department approves an extension of the time
5 limit. The license of a school that has been revoked or expired for any
6 reason shall not be reinstated. An original application for licensure
7 shall be submitted and approved before such school may reopen.

8 Sec. 4. Section 38-1813, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 38-1813 A person shall be qualified to be a licensed medical
11 nutrition therapist if such person furnishes evidence that he or she:

12 (1) Has met the requirements for and is a registered dietitian by
13 the American Dietetic Association or an equivalent entity recognized by
14 the board;

15 (2)(a) Has satisfactorily passed an examination approved by the
16 board;

17 (b) Has received a baccalaureate degree from an accredited college
18 or university with a major course of study in human nutrition, food and
19 nutrition, dietetics, or an equivalent major course of study approved by
20 the board; and

21 (c) Has satisfactorily completed a program of supervised clinical
22 experience approved by the department. Such clinical experience shall
23 consist of not less than nine hundred hours of a planned continuous
24 experience in human nutrition, food and nutrition, or dietetics under the
25 supervision of an individual meeting the qualifications of this section;
26 or

27 (3)(a) Has satisfactorily passed an examination approved by the
28 board; and

29 (b)(i) Has received a master's or doctorate degree from an
30 accredited college or university in human nutrition, nutrition education,
31 food and nutrition, or public health nutrition or in an equivalent major

1 course of study approved by the board; or

2 (ii) Has received a master's or doctorate degree from an accredited
3 college or university which includes a major course of study in clinical
4 nutrition. Such course of study shall consist of not less than a combined
5 two hundred hours of biochemistry and physiology and not less than
6 seventy-five hours in human nutrition.

7 For purposes of this section, accredited college or university means
8 an institution currently listed with the United States Secretary of
9 Education as accredited. Applicants who have obtained their education
10 outside of the United States and its territories shall have their
11 academic degrees validated as equivalent to a baccalaureate or master's
12 degree conferred by a United States ~~regionally~~ accredited college or
13 university.

14 The practice of medical nutrition therapy shall be performed under
15 the consultation of a physician licensed pursuant to section 38-2026 or
16 sections 38-2029 to 38-2033.

17 Sec. 5. Section 38-2613, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 38-2613 (1) An optometrist licensed in this state may use topical
20 ocular pharmaceutical agents for diagnostic purposes authorized under
21 subdivision (1)(b) of section 38-2605, if such person is certified by the
22 department, with the recommendation of the board, as qualified to use
23 topical ocular pharmaceutical agents for diagnostic purposes.

24 (2) Such certification shall require (a) satisfactory completion of
25 a pharmacology course at an institution accredited by an ~~a regional or~~
26 ~~professional~~ accrediting organization which is recognized by the United
27 States Department of Education and approved by the board and passage of
28 an examination approved by the board or (b) evidence provided by the
29 optometrist of certification in another state for use of diagnostic
30 pharmaceutical agents which is deemed by the board as satisfactory
31 validation of such qualifications.

1 Sec. 6. Section 38-2616, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 38-2616 No school of optometry shall be approved by the board as an
4 accredited school unless the school is accredited by an ~~a regional or~~
5 ~~professional~~ accrediting organization which is recognized by the United
6 States Department of Education.

7 Sec. 7. Section 38-3106, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 38-3106 Institution of higher education means a university,
10 professional school, or other institution of higher learning that:

11 (1) In the United States, is ~~regionally~~ accredited by an ~~a regional~~
12 ~~or professional~~ accrediting organization recognized by the United States
13 Department of Education;

14 (2) In Canada, holds a membership in the Association of Universities
15 and Colleges of Canada; or

16 (3) In other countries, is accredited by the respective official
17 organization having such authority.

18 Sec. 8. Section 38-3901, Revised Statutes Cumulative Supplement,
19 2018, is amended to read:

20 38-3901 The State of Nebraska adopts the Psychology
21 Interjurisdictional Compact substantially as follows:

22 ARTICLE I

23 PURPOSE

24 States license psychologists in order to protect the public through
25 verification of education, training, and experience and ensure
26 accountability for professional practice.

27 The Psychology Interjurisdictional Compact is intended to regulate
28 the day-to-day practice of telepsychology, the provision of psychological
29 services using telecommunication technologies, by psychologists across
30 state boundaries in the performance of their psychological practice as
31 assigned by an appropriate authority.

1 The Compact is intended to regulate the temporary in-person, face-
2 to-face practice of psychology by psychologists across state boundaries
3 for thirty days within a calendar year in the performance of their
4 psychological practice as assigned by an appropriate authority.

5 The Compact is intended to authorize state psychology regulatory
6 authorities to afford legal recognition, in a manner consistent with the
7 terms of the Compact, to psychologists licensed in another state.

8 The Compact recognizes that states have a vested interest in
9 protecting the public's health and safety through licensing and
10 regulation of psychologists and that such state regulation will best
11 protect public health and safety.

12 The Compact does not apply when a psychologist is licensed in both
13 the home and receiving states.

14 The Compact does not apply to permanent in-person, face-to-face
15 practice; it does allow for authorization of temporary psychological
16 practice.

17 Consistent with these principles, the Compact is designed to achieve
18 the following purposes and objectives:

19 1. Increase public access to professional psychological services by
20 allowing for telepsychological practice across state lines as well as
21 temporary in-person, face-to-face services into a state which the
22 psychologist is not licensed to practice psychology;

23 2. Enhance the states' ability to protect the public's health and
24 safety, especially client or patient safety;

25 3. Encourage the cooperation of compact states in the areas of
26 psychology licensure and regulation;

27 4. Facilitate the exchange of information between compact states
28 regarding psychologist licensure, adverse actions, and disciplinary
29 history;

30 5. Promote compliance with the laws governing psychological practice
31 in each compact state; and

1 6. Invest all compact states with the authority to hold licensed
2 psychologists accountable through the mutual recognition of compact state
3 licenses.

4 ARTICLE II

5 DEFINITIONS

6 A. Adverse action means any action taken by a state psychology
7 regulatory authority which finds a violation of a statute or regulation
8 that is identified by the state psychology regulatory authority as
9 discipline and is a matter of public record.

10 B. Association of State and Provincial Psychology Boards means the
11 recognized membership organization composed of State and Provincial
12 Psychology Regulatory Authorities responsible for the licensure and
13 registration of psychologists throughout the United States and Canada.

14 C. Authority to practice interjurisdictional telepsychology means a
15 licensed psychologist's authority to practice telepsychology, within the
16 limits authorized under the Psychology Interjurisdictional Compact, in
17 another compact state.

18 D. Bylaws means those bylaws established by the Commission pursuant
19 to Article X for its governance, or for directing and controlling its
20 actions and conduct.

21 E. Client or patient means the recipient of psychological services,
22 whether psychological services are delivered in the context of
23 healthcare, corporate, supervision, and/or consulting services.

24 F. Commission means the Psychology Interjurisdictional Compact
25 Commission which is the national administration of which all compact
26 states are members.

27 G. Commissioner means the voting representative appointed by each
28 state psychology regulatory authority pursuant to Article X.

29 H. Compact state means a state, the District of Columbia, or a
30 United States territory that has enacted the Compact and which has not
31 withdrawn pursuant to Article XIII, subsection C or been terminated

1 pursuant to Article XII, subsection B.

2 I. Coordinated Licensure Information System means an integrated
3 process for collecting, storing, and sharing information on
4 psychologists' licensure and enforcement activities related to psychology
5 licensure laws, which is administered by the recognized membership
6 organization composed of state and provincial psychology regulatory
7 authorities.

8 J. Confidentiality means the principle that data or information is
9 not made available or disclosed to unauthorized persons or processes.

10 K. Day means any part of a day in which psychological work is
11 performed.

12 L. Distant state means the compact state where a psychologist is
13 physically present, not through using telecommunications technologies, to
14 provide temporary in-person, face-to-face psychological services.

15 M. E.Passport means a certificate issued by the Association of State
16 and Provincial Psychology Boards that promotes the standardization in the
17 criteria of interjurisdictional telepsychology practice and facilitates
18 the process for licensed psychologists to provide telepsychological
19 services across state lines.

20 N. Executive board means a group of directors elected or appointed
21 to act on behalf of, and within the powers granted to them by, the
22 commission.

23 O. Home state means a compact state where a psychologist is licensed
24 to practice psychology. If the psychologist is licensed in more than one
25 compact state and is practicing under the authorization to practice
26 interjurisdictional telepsychology, the home state is the compact state
27 where the psychologist is physically present when the telepsychology
28 services are delivered. If the psychologist is licensed in more than one
29 compact state and is practicing under the temporary authorization to
30 practice, the home state is any compact state where the psychologist is
31 licensed.

1 P. Identity history summary means a summary of information retained
2 by the Federal Bureau of Investigation, or other designee with similar
3 authority, in connection with arrests and, in some instances, federal
4 employment, naturalization, or military service.

5 Q. In-person, face-to-face means interactions in which the
6 psychologist and the client or patient are in the same physical space and
7 which does not include interactions that may occur through the use of
8 telecommunication technologies.

9 R. Interjurisdictional Practice Certificate means a certificate
10 issued by the Association of State and Provincial Psychology Boards that
11 grants temporary authority to practice based on notification to the state
12 psychology regulatory authority of intention to practice temporarily and
13 verification of one's qualifications for such practice.

14 S. License means authorization by a state psychology regulatory
15 authority to engage in the independent practice of psychology, which
16 would be unlawful without the authorization.

17 T. Noncompact state means any state which is not at the time a
18 compact state.

19 U. Psychologist means an individual licensed for the independent
20 practice of psychology.

21 V. Receiving state means a compact state where the client or patient
22 is physically located when the telepsychology services are delivered.

23 W. Rule means a written statement by the Commission promulgated
24 pursuant to Article XI that is of general applicability, implements,
25 interprets, or prescribes a policy or provision of the Compact, or an
26 organizational, procedural, or practice requirement of the Commission and
27 has the force and effect of statutory law in a compact state, and
28 includes the amendment, repeal, or suspension of an existing rule.

29 X. Significant investigatory information means:

30 1. Investigative information that a state psychology regulatory
31 authority, after a preliminary inquiry that includes notification and an

1 opportunity to respond if required by state law, has reason to believe,
2 if proven true, would indicate more than a violation of state statute or
3 ethics code that would be considered more substantial than minor
4 infraction; or

5 2. Investigative information that indicates that the psychologist
6 represents an immediate threat to public health and safety regardless of
7 whether the psychologist has been notified or had an opportunity to
8 respond.

9 Y. State means a state, commonwealth, territory, or possession of
10 the United States or the District of Columbia.

11 Z. State psychology regulatory authority means the board, office, or
12 other agency with the legislative mandate to license and regulate the
13 practice of psychology.

14 AA. Telepsychology means the provision of psychological services
15 using telecommunication technologies.

16 BB. Temporary authorization to practice means a licensed
17 psychologist's authority to conduct temporary in-person, face-to-face
18 practice, within the limits authorized under the Compact, in another
19 compact state.

20 CC. Temporary in-person, face-to-face practice means the practice of
21 psychology in which a psychologist is physically present, not through
22 using telecommunications technologies, in the distant state to provide
23 for the practice of psychology for thirty days within a calendar year and
24 based on notification to the distant state.

25 ARTICLE III

26 HOME STATE LICENSURE

27 A. The home state shall be a compact state where a psychologist is
28 licensed to practice psychology.

29 B. A psychologist may hold one or more compact state licenses at a
30 time. If the psychologist is licensed in more than one compact state, the
31 home state is the compact state where the psychologist is physically

1 present when the services are delivered as authorized by the authority to
2 practice interjurisdictional telepsychology under the terms of the
3 Psychology Interjurisdictional Compact.

4 C. Any compact state may require a psychologist not previously
5 licensed in a compact state to obtain and retain a license to be
6 authorized to practice in the compact state under circumstances not
7 authorized by the authority to practice interjurisdictional
8 telepsychology under the terms of the Psychology Interjurisdictional
9 Compact.

10 D. Any compact state may require a psychologist to obtain and retain
11 a license to be authorized to practice in a compact state under
12 circumstances not authorized by temporary authorization to practice under
13 the terms of the Compact.

14 E. A home state's license authorizes a psychologist to practice in a
15 receiving state under the authority to practice interjurisdictional
16 telepsychology only if the compact state:

17 1. Currently requires the psychologist to hold an active E.Passport;
18 2. Has a mechanism in place for receiving and investigating
19 complaints about licensed individuals;

20 3. Notifies the Commission, in compliance with the terms of the
21 Compact, of any adverse action or significant investigatory information
22 regarding a licensed individual;

23 4. Requires an identity history summary of all applicants at initial
24 licensure, including the use of the results of fingerprints or other
25 biometric data checks compliant with the requirements of the Federal
26 Bureau of Investigation, or other designee with similar authority, no
27 later than ten years after activation of the Compact; and

28 5. Complies with the bylaws and rules of the Commission.

29 F. A home state's license grants temporary authorization to practice
30 to a psychologist in a distant state only if the compact state:

31 1. Currently requires the psychologist to hold an active

1 Interjurisdictional Practice Certificate;

2 2. Has a mechanism in place for receiving and investigating
3 complaints about licensed individuals;

4 3. Notifies the Commission, in compliance with the terms of the
5 Compact, of any adverse action or significant investigatory information
6 regarding a licensed individual;

7 4. Requires an identity history summary of all applicants at initial
8 licensure, including the use of the results of fingerprints or other
9 biometric data checks compliant with the requirements of the Federal
10 Bureau of Investigation, or other designee with similar authority, no
11 later than ten years after activation of the Compact; and

12 5. Complies with the bylaws and rules of the Commission.

13 ARTICLE IV

14 COMPACT PRIVILEGE TO PRACTICE TELEPSYCHOLOGY

15 A. Compact states shall recognize the right of a psychologist,
16 licensed in a compact state in conformance with Article III, to practice
17 telepsychology in other compact states (receiving states) in which the
18 psychologist is not licensed, under the authority to practice
19 interjurisdictional telepsychology as provided in the Psychology
20 Interjurisdictional Compact.

21 B. To exercise the authority to practice interjurisdictional
22 telepsychology under the terms and provisions of the Compact, a
23 psychologist licensed to practice in a compact state must:

24 1. Hold a graduate degree in psychology from an institute of higher
25 education that was, at the time the degree was awarded:

26 a. Accredited Regionally—~~accredited~~ by an accrediting body
27 recognized by the United States Department of Education to grant graduate
28 degrees, or authorized by provincial statute or Royal Charter to grant
29 doctoral degrees; or

30 b. A foreign college or university deemed to be equivalent to
31 subdivision 1a of this subsection by a foreign credential evaluation

1 service that is a member of the National Association of Credential
2 Evaluation Services or by a recognized foreign credential evaluation
3 service; and

4 2. Hold a graduate degree in psychology that meets the following
5 criteria:

6 a. The program, wherever it may be administratively housed, must be
7 clearly identified and labeled as a psychology program. Such a program
8 must specify in pertinent institutional catalogues and brochures its
9 intent to educate and train professional psychologists;

10 b. The psychology program must stand as a recognizable, coherent,
11 organizational entity within the institution;

12 c. There must be a clear authority and primary responsibility for
13 the core and specialty areas whether or not the program cuts across
14 administrative lines;

15 d. The program must consist of an integrated, organized sequence of
16 study;

17 e. There must be an identifiable psychology faculty sufficient in
18 size and breadth to carry out its responsibilities;

19 f. The designated director of the program must be a psychologist and
20 a member of the core faculty;

21 g. The program must have an identifiable body of students who are
22 matriculated in that program for a degree;

23 h. The program must include supervised practicum, internship, or
24 field training appropriate to the practice of psychology;

25 i. The curriculum shall encompass a minimum of three academic years
26 of full-time graduate study for doctoral degrees and a minimum of one
27 academic year of full-time graduate study for master's degrees;

28 j. The program includes an acceptable residency as defined by the
29 rules of the Commission.

30 3. Possess a current, full, and unrestricted license to practice
31 psychology in a home state which is a compact state;

1 4. Have no history of adverse action that violates the rules of the
2 Commission;

3 5. Have no criminal record history reported on an identity history
4 summary that violates the rules of the Commission;

5 6. Possess a current, active E.Passport;

6 7. Provide attestations in regard to areas of intended practice,
7 conformity with standards of practice, competence in telepsychology
8 technology; criminal background; and knowledge and adherence to legal
9 requirements in the home and receiving states, and provide a release of
10 information to allow for primary source verification in a manner
11 specified by the Commission; and

12 8. Meet other criteria as defined by the rules of the Commission.

13 C. The home state maintains authority over the license of any
14 psychologist practicing into a receiving state under the authority to
15 practice interjurisdictional telepsychology.

16 D. A psychologist practicing into a receiving state under the
17 authority to practice interjurisdictional telepsychology will be subject
18 to the receiving state's authority and laws. A receiving state may, in
19 accordance with that state's due process law, limit or revoke a
20 psychologist's authority to practice interjurisdictional telepsychology
21 in the receiving state and may take any other necessary actions under the
22 receiving state's applicable law to protect the health and safety of the
23 receiving state's citizens. If a receiving state takes action, the state
24 shall promptly notify the home state and the Commission.

25 E. If a psychologist's license in any home state, another compact
26 state, or any authority to practice interjurisdictional telepsychology in
27 any receiving state, is restricted, suspended, or otherwise limited, the
28 E.Passport shall be revoked and therefor the psychologist shall not be
29 eligible to practice telepsychology in a compact state under the
30 authority to practice interjurisdictional telepsychology.

31 ARTICLE V

1 COMPACT TEMPORARY AUTHORIZATION TO PRACTICE

2 A. Compact states shall also recognize the right of a psychologist,
3 licensed in a compact state in conformance with Article III, to practice
4 temporarily in other compact states (distant states) in which the
5 psychologist is not licensed, as provided in the Psychology
6 Interjurisdictional Compact.

7 B. To exercise the temporary authorization to practice under the
8 terms and provisions of the Compact, a psychologist licensed to practice
9 in a compact state must:

10 1. Hold a graduate degree in psychology from an institute of higher
11 education that was, at the time the degree was awarded:

12 a. Accredited Regionally~~accredited~~ by an accrediting body
13 recognized by the United States Department of Education to grant graduate
14 degrees, or authorized by provincial statute or Royal Charter to grant
15 doctoral degrees; or

16 b. A foreign college or university deemed to be equivalent to
17 subdivision 1a of this subsection by a foreign credential evaluation
18 service that is a member of the National Association of Credential
19 Evaluation Services or by a recognized foreign credential evaluation
20 service; and

21 2. Hold a graduate degree in psychology that meets the following
22 criteria:

23 a. The program, wherever it may be administratively housed, must be
24 clearly identified and labeled as a psychology program. Such a program
25 must specify in pertinent institutional catalogues and brochures its
26 intent to educate and train professional psychologists;

27 b. The psychology program must stand as a recognizable, coherent,
28 organizational entity within the institution;

29 c. There must be a clear authority and primary responsibility for
30 the core and specialty areas whether or not the program cuts across
31 administrative lines;

1 d. The program must consist of an integrated, organized sequence of
2 study;

3 e. There must be an identifiable psychology faculty sufficient in
4 size and breadth to carry out its responsibilities;

5 f. The designated director of the program must be a psychologist and
6 a member of the core faculty;

7 g. The program must have an identifiable body of students who are
8 matriculated in that program for a degree;

9 h. The program must include supervised practicum, internship, or
10 field training appropriate to the practice of psychology;

11 i. The curriculum shall encompass a minimum of three academic years
12 of full-time graduate study for doctoral degrees and a minimum of one
13 academic year of full-time graduate study for master's degrees;

14 j. The program includes an acceptable residency as defined by the
15 rules of the Commission.

16 3. Possess a current, full, and unrestricted license to practice
17 psychology in a home state which is a compact state;

18 4. No history of adverse action that violates the rules of the
19 Commission;

20 5. No criminal record history that violates the rules of the
21 Commission;

22 6. Possess a current, active Interjurisdictional Practice
23 Certificate;

24 7. Provide attestations in regard to areas of intended practice and
25 work experience and provide a release of information to allow for primary
26 source verification in a manner specified by the Commission; and

27 8. Meet other criteria as defined by the rules of the Commission.

28 C. A psychologist practicing into a distant state under the
29 temporary authorization to practice shall practice within the scope of
30 practice authorized by the distant state.

31 D. A psychologist practicing into a distant state under the

1 temporary authorization to practice will be subject to the distant
2 state's authority and law. A distant state may, in accordance with that
3 state's due process law, limit or revoke a psychologist's temporary
4 authorization to practice in the distant state and may take any other
5 necessary actions under the distant state's applicable law to protect the
6 health and safety of the distant state's citizens. If a distant state
7 takes action, the state shall promptly notify the home state and the
8 Commission.

9 E. If a psychologist's license in any home state, another compact
10 state, or any temporary authorization to practice in any distant state,
11 is restricted, suspended, or otherwise limited, the Interjurisdictional
12 Practice Certificate shall be revoked and therefor the psychologist shall
13 not be eligible to practice in a compact state under the temporary
14 authorization to practice.

15 ARTICLE VI

16 CONDITIONS OF TELEPSYCHOLOGY PRACTICE IN A RECEIVING STATE

17 A psychologist may practice in a receiving state under the authority
18 to practice interjurisdictional telepsychology only in the performance of
19 the scope of practice for psychology as assigned by an appropriate state
20 psychology regulatory authority, as defined in the rules of the
21 Commission, and under the following circumstances:

22 1. The psychologist initiates a client or patient contact in a home
23 state via telecommunications technologies with a client or patient in a
24 receiving state;

25 2. Other conditions regarding telepsychology as determined by rules
26 promulgated by the Commission.

27 ARTICLE VII

28 ADVERSE ACTIONS

29 A. A home state shall have the power to impose adverse action
30 against a psychologist's license issued by the home state. A distant
31 state shall have the power to take adverse action on a psychologist's

1 temporary authorization to practice within that distant state.

2 B. A receiving state may take adverse action on a psychologist's
3 authority to practice interjurisdictional telepsychology within that
4 receiving state. A home state may take adverse action against a
5 psychologist based on an adverse action taken by a distant state
6 regarding temporary in-person, face-to-face practice.

7 C. If a home state takes adverse action against a psychologist's
8 license, that psychologist's authority to practice interjurisdictional
9 telepsychology is terminated and the E.Passport is revoked. Furthermore,
10 that psychologist's temporary authorization to practice is terminated and
11 the Interjurisdictional Practice Certificate is revoked.

12 1. All home state disciplinary orders which impose adverse action
13 shall be reported to the Commission in accordance with the rules
14 promulgated by the Commission. A compact state shall report adverse
15 actions in accordance with the rules of the Commission.

16 2. In the event discipline is reported on a psychologist, the
17 psychologist will not be eligible for telepsychology or temporary in-
18 person, face-to-face practice in accordance with the rules of the
19 Commission.

20 3. Other actions may be imposed as determined by the rules
21 promulgated by the Commission.

22 D. A home state's state psychology regulatory authority shall
23 investigate and take appropriate action with respect to reported
24 inappropriate conduct engaged in by a licensee which occurred in a
25 receiving state as it would if such conduct had occurred by a licensee
26 within the home state. In such cases, the home state's law shall control
27 in determining any adverse action against a psychologist's license.

28 E. A distant state's state psychology regulatory authority shall
29 investigate and take appropriate action with respect to reported
30 inappropriate conduct engaged in by a psychologist practicing under
31 temporary authorization practice which occurred in that distant state as

1 it would if such conduct had occurred by a licensee within the home
2 state. In such cases, distant state's law shall control in determining
3 any adverse action against a psychologist's temporary authorization to
4 practice.

5 F. Nothing in the Psychology Interjurisdictional Compact shall
6 override a compact state's decision that a psychologist's participation
7 in an alternative program may be used in lieu of adverse action and that
8 such participation shall remain nonpublic if required by the compact
9 state's law. Compact states must require psychologists who enter any
10 alternative programs to not provide telepsychology services under the
11 authority to practice interjurisdictional telepsychology or provide
12 temporary psychological services under the temporary authorization to
13 practice in any other compact state during the term of the alternative
14 program.

15 G. No other judicial or administrative remedies shall be available
16 to a psychologist in the event a compact state imposes an adverse action
17 pursuant to subsection C of this Article.

18 ARTICLE VIII

19 ADDITIONAL AUTHORITIES INVESTED IN A COMPACT STATE'S STATE
20 PSYCHOLOGY REGULATORY AUTHORITY

21 In addition to any other powers granted under state law, a compact
22 state's state psychology regulatory authority shall have the authority
23 under the Psychology Interjurisdictional Compact to:

24 1. Issue subpoenas, for both hearings and investigations, which
25 require the attendance and testimony of witnesses and the production of
26 evidence. Subpoenas issued by a compact state's state psychology
27 regulatory authority for the attendance and testimony of witnesses, or
28 the production of evidence from another compact state shall be enforced
29 in the latter state by any court of competent jurisdiction, according to
30 that court's practice and procedure in considering subpoenas issued in
31 its own proceedings. The issuing state psychology regulatory authority

1 shall pay any witness fees, travel expenses, mileage fees, and other fees
2 required by the service statutes of the state where the witnesses or
3 evidence are located; and

4 2. Issue cease and desist orders, injunctive relief orders, or both
5 to revoke a psychologist's authority to practice interjurisdictional
6 telepsychology, temporary authorization to practice, or both.

7 3. During the course of any investigation, a psychologist may not
8 change his or her home state licensure. A home state's state psychology
9 regulatory authority is authorized to complete any pending investigations
10 of a psychologist and to take any actions appropriate under its law. The
11 home state's state psychology regulatory authority shall promptly report
12 the conclusions of such investigations to the Commission. Once an
13 investigation has been completed, and pending the outcome of the
14 investigation, the psychologist may change his or her home state
15 licensure. The Commission shall promptly notify the new home state of any
16 such decisions as provided in the rules of the Commission. All
17 information provided to the Commission or distributed by compact states
18 pursuant to the psychologist shall be confidential, filed under seal, and
19 used for investigatory or disciplinary matters. The Commission may create
20 additional rules for mandated or discretionary sharing of information by
21 compact states.

22 ARTICLE IX

23 COORDINATED LICENSURE INFORMATION SYSTEM

24 A. The Commission shall provide for the development and maintenance
25 of a Coordinated Licensure Information System (Coordinated Database) and
26 reporting system containing licensure and disciplinary action information
27 on all psychologists or individuals to whom the Psychology
28 Interjurisdictional Compact is applicable in all compact states as
29 defined by the rules of the Commission.

30 B. Notwithstanding any other provision of state law to the contrary,
31 a compact state shall submit a uniform data set to the Coordinated

1 Database on all licensees as required by the rules of the Commission,
2 including:

3 1. Identifying information;

4 2. Licensure data;

5 3. Significant investigatory information;

6 4. Adverse actions against a psychologist's license;

7 5. An indicator that a psychologist's authority to practice
8 interjurisdictional telepsychology or temporary authorization to practice
9 is revoked;

10 6. Nonconfidential information related to alternative program
11 participation information;

12 7. Any denial of application for licensure, and the reasons for such
13 denial; and

14 8. Other information which may facilitate the administration of the
15 Compact, as determined by the rules of the Commission.

16 C. The Coordinated Database administrator shall promptly notify all
17 compact states of any adverse action taken against, or significant
18 investigative information on, any licensee in a compact state.

19 D. Compact states reporting information to the Coordinated Database
20 may designate information that may not be shared with the public without
21 the express permission of the compact state reporting the information.

22 E. Any information submitted to the Coordinated Database that is
23 subsequently required to be expunged by the law of the compact state
24 reporting the information shall be removed from the Coordinated Database.

25 ARTICLE X

26 ESTABLISHMENT OF THE PSYCHOLOGY INTERJURISDICTIONAL COMPACT
27 COMMISSION

28 A. The compact states hereby create and establish a joint public
29 agency known as the Psychology Interjurisdictional Compact Commission.

30 1. The Commission is a body politic and an instrumentality of the
31 compact states.

1 2. Venue is proper and judicial proceedings by or against the
2 Commission shall be brought solely and exclusively in a court of
3 competent jurisdiction where the principal office of the Commission is
4 located. The Commission may waive venue and jurisdictional defenses to
5 the extent it adopts or consents to participate in alternative dispute
6 resolution proceedings.

7 3. Nothing in the Psychology Interjurisdictional Compact shall be
8 construed to be a waiver of sovereign immunity.

9 B. Membership, Voting, and Meetings

10 1. The Commission shall consist of one voting representative
11 appointed by each compact state who shall serve as that state's
12 Commissioner. The state psychology regulatory authority shall appoint the
13 state's delegate. This delegate shall be empowered to act on behalf of
14 the compact state. This delegate shall be limited to:

- 15 a. Executive director, executive secretary, or similar executive;
16 b. Current member of the state psychology regulatory authority of a
17 compact state; or
18 c. Designee empowered with the appropriate delegate authority to act
19 on behalf of the compact state.

20 2. Any Commissioner may be removed or suspended from office as
21 provided by the law of the state from which the Commissioner is
22 appointed. Any vacancy occurring in the Commission shall be filled in
23 accordance with the laws of the compact state in which the vacancy
24 exists.

25 3. Each Commissioner shall be entitled to one vote with regard to
26 the promulgation of rules and creation of bylaws and shall otherwise have
27 an opportunity to participate in the business and affairs of the
28 Commission. A Commissioner shall vote in person or by such other means as
29 provided in the bylaws. The bylaws may provide for Commissioners'
30 participation in meetings by telephone or other means of communication.

31 4. The Commission shall meet at least once during each calendar

1 year. Additional meetings shall be held as set forth in the bylaws.

2 5. All meetings shall be open to the public, and public notice of
3 meetings shall be given in the same manner as required under the
4 rulemaking provisions in Article XI.

5 6. The Commission may convene in a closed, nonpublic meeting if the
6 Commission must discuss:

7 a. Noncompliance of a compact state with its obligations under the
8 Compact;

9 b. The employment, compensation, discipline, or other personnel
10 matters, practices, or procedures related to specific employees or other
11 matters related to the Commission's internal personnel practices and
12 procedures;

13 c. Current, threatened, or reasonably anticipated litigation against
14 the Commission;

15 d. Negotiation of contracts for the purchase or sale of goods,
16 services, or real estate;

17 e. Accusation against any person of a crime or formally censuring
18 any person;

19 f. Disclosure of trade secrets or commercial or financial
20 information which is privileged or confidential;

21 g. Disclosure of information of a personal nature where disclosure
22 would constitute a clearly unwarranted invasion of personal privacy;

23 h. Disclosure of investigatory records compiled for law enforcement
24 purposes;

25 i. Disclosure of information related to any investigatory reports
26 prepared by or on behalf of or for use of the Commission or other
27 committee charged with responsibility for investigation or determination
28 of compliance issues pursuant to the Compact; or

29 j. Matters specifically exempted from disclosure by federal and
30 state statute.

31 7. If a meeting, or portion of a meeting, is closed pursuant to this

1 Article, the Commission's legal counsel or designee shall certify that
2 the meeting may be closed and shall reference each relevant exempting
3 provision. The Commission shall keep minutes which fully and clearly
4 describe all matters discussed in a meeting and shall provide a full and
5 accurate summary of actions taken, of any person participating in the
6 meeting, and the reasons therefore, including a description of the views
7 expressed. All documents considered in connection with an action shall be
8 identified in such minutes. All minutes and documents of a closed meeting
9 shall remain under seal, subject to release only by a majority vote of
10 the Commission or order of a court of competent jurisdiction.

11 C. The Commission shall, by a majority vote of the Commissioners,
12 prescribe bylaws or rules to govern its conduct as may be necessary or
13 appropriate to carry out the purposes and exercise the powers of the
14 Compact, including, but not limited to:

- 15 1. Establishing the fiscal year of the Commission;
- 16 2. Providing reasonable standards and procedures:
 - 17 a. For the establishment and meetings of other committees; and
 - 18 b. Governing any general or specific delegation of any authority or
19 function of the Commission;
- 20 3. Providing reasonable procedures for calling and conducting
21 meetings of the Commission, ensuring reasonable advance notice of all
22 meetings and providing an opportunity for attendance of such meetings by
23 interested parties, with enumerated exceptions designed to protect the
24 public's interest, the privacy of individuals of such proceedings, and
25 proprietary information, including trade secrets. The Commission may meet
26 in closed session only after a majority of the Commissioners vote to
27 close a meeting to the public in whole or in part. As soon as
28 practicable, the Commission must make public a copy of the vote to close
29 the meeting revealing the vote of each Commissioner with no proxy votes
30 allowed;

31 4. Establishing the titles, duties, and authority and reasonable

1 procedures for the election of the officers of the Commission;

2 5. Providing reasonable standards and procedures for the
3 establishment of the personnel policies and programs of the Commission.
4 Notwithstanding any civil service or other similar law of any compact
5 state, the bylaws shall exclusively govern the personnel policies and
6 programs of the Commission;

7 6. Promulgating a code of ethics to address permissible and
8 prohibited activities of Commission members and employees;

9 7. Providing a mechanism for concluding the operations of the
10 Commission and the equitable disposition of any surplus funds that may
11 exist after the termination of the Compact after the payment, reserving,
12 or both of all of its debts and obligations;

13 8. The Commission shall publish its bylaws in a convenient form and
14 file a copy thereof and a copy of any amendment thereto, with the
15 appropriate agency or officer in each of the compact states;

16 9. The Commission shall maintain its financial records in accordance
17 with the bylaws; and

18 10. The Commission shall meet and take such actions as are
19 consistent with the provisions of the Compact and the bylaws.

20 D. The Commission shall have the following powers:

21 1. The authority to promulgate uniform rules to facilitate and
22 coordinate implementation and administration of the Compact. The rules
23 shall have the force and effect of law and shall be binding in all
24 compact states;

25 2. To bring and prosecute legal proceedings or actions in the name
26 of the Commission, provided that the standing of any state psychology
27 regulatory authority or other regulatory body responsible for psychology
28 licensure to sue or be sued under applicable law shall not be affected;

29 3. To purchase and maintain insurance and bonds;

30 4. To borrow, accept, or contract for services of personnel,
31 including, but not limited to, employees of a compact state;

1 5. To hire employees, elect or appoint officers, fix compensation,
2 define duties, grant such individuals appropriate authority to carry out
3 the purposes of the Compact, and to establish the Commission's personnel
4 policies and programs relating to conflicts of interest, qualifications
5 of personnel, and other related personnel matters;

6 6. To accept any and all appropriate donations and grants of money,
7 equipment, supplies, materials, and services, and to receive, utilize,
8 and dispose of the same; provided that at all times the Commission shall
9 strive to avoid any appearance of impropriety or conflict of interest;

10 7. To lease, purchase, accept appropriate gifts or donations of, or
11 otherwise to own, hold, improve or use, any property, real, personal, or
12 mixed; provided that at all times the Commission shall strive to avoid
13 any appearance of impropriety;

14 8. To sell, convey, mortgage, pledge, lease, exchange, abandon, or
15 otherwise dispose of any property real, personal, or mixed;

16 9. To establish a budget and make expenditures;

17 10. To borrow money;

18 11. To appoint committees, including advisory committees comprised
19 of members, state regulators, state legislators or their representatives,
20 and consumer representatives, and such other interested persons as may be
21 designated in the Compact and the bylaws;

22 12. To provide and receive information from, and to cooperate with,
23 law enforcement agencies;

24 13. To adopt and use an official seal; and

25 14. To perform such other functions as may be necessary or
26 appropriate to achieve the purposes of the Compact consistent with the
27 state regulation of psychology licensure, temporary in-person, face-to-
28 face practice, and telepsychology practice.

29 E. The Executive Board

30 The elected officers shall serve as the Executive Board, which shall
31 have the power to act on behalf of the Commission according to the terms

1 of the Compact.

2 1. The Executive Board shall be comprised of six members:

3 a. Five voting members who are elected from the current membership
4 of the Commission by the Commission; and

5 b. One ex-officio, nonvoting member from the recognized membership
6 organization composed of State and Provincial Psychology Regulatory
7 Authorities.

8 2. The ex-officio member must have served as staff or member on a
9 state psychology regulatory authority and will be selected by its
10 respective organization.

11 3. The Commission may remove any member of the Executive Board as
12 provided in bylaws.

13 4. The Executive Board shall meet at least annually.

14 5. The Executive Board shall have the following duties and
15 responsibilities:

16 a. Recommend to the entire Commission changes to the rules or
17 bylaws, changes to the Compact, fees paid by compact states such as
18 annual dues, and any other applicable fees;

19 b. Ensure Compact administration services are appropriately
20 provided, contractual or otherwise;

21 c. Prepare and recommend the budget;

22 d. Maintain financial records on behalf of the Commission;

23 e. Monitor Compact compliance of member states and provide
24 compliance reports to the Commission;

25 f. Establish additional committees as necessary; and

26 g. Other duties as provided in rules or bylaws.

27 F. Financing of the Commission

28 1. The Commission shall pay, or provide for the payment of, the
29 reasonable expenses of its establishment, organization, and ongoing
30 activities.

31 2. The Commission may accept any and all appropriate revenue

1 sources, donations, and grants of money, equipment, supplies, materials,
2 and services.

3 3. The Commission may levy on and collect an annual assessment from
4 each compact state or impose fees on other parties to cover the cost of
5 the operations and activities of the Commission and its staff which must
6 be in a total amount sufficient to cover its annual budget as approved
7 each year for which revenue is not provided by other sources. The
8 aggregate annual assessment amount shall be allocated based upon a
9 formula to be determined by the Commission which shall promulgate a rule
10 binding upon all compact states.

11 4. The Commission shall not incur obligations of any kind prior to
12 securing the funds adequate to meet the same; nor shall the Commission
13 pledge the credit of any of the compact states, except by and with the
14 authority of the compact state.

15 5. The Commission shall keep accurate accounts of all receipts and
16 disbursements. The receipts and disbursements of the Commission shall be
17 subject to the audit and accounting procedures established under its
18 bylaws. However, all receipts and disbursements of funds handled by the
19 Commission shall be audited yearly by a certified or licensed public
20 accountant and the report of the audit shall be included in and become
21 part of the annual report of the Commission.

22 G. Qualified Immunity, Defense, and Indemnification

23 1. The members, officers, executive director, employees, and
24 representatives of the Commission shall have no greater liability, either
25 personally or in their official capacity, for any claim for damage to or
26 loss of property or personal injury or other civil liability caused by or
27 arising out of any actual or alleged act, error, or omission that
28 occurred, or that the person against whom the claim is made had a
29 reasonable basis for believing occurred, within the scope of Commission
30 employment, duties, or responsibilities, than a state employee would have
31 under the same or similar circumstances; provided that nothing in this

1 paragraph shall be construed to protect any such person from suit or
2 liability for any damage, loss, injury, or liability caused by the
3 intentional or willful or wanton misconduct of that person.

4 2. The Commission shall defend any member, officer, executive
5 director, employee, or representative of the Commission in any civil
6 action seeking to impose liability arising out of any actual or alleged
7 act, error, or omission that occurred within the scope of Commission
8 employment, duties, or responsibilities, or that the person against whom
9 the claim is made had a reasonable basis for believing occurred within
10 the scope of Commission employment, duties, or responsibilities; provided
11 that nothing in this paragraph shall be construed to prohibit that person
12 from retaining his or her own counsel; and provided further, that the
13 actual or alleged act, error, or omission did not result from that
14 person's intentional or willful or wanton misconduct.

15 3. The Commission shall indemnify and hold harmless any member,
16 officer, executive director, employee, or representative of the
17 Commission for the amount of any settlement or judgment obtained against
18 that person arising out of any actual or alleged act, error, or omission
19 that occurred within the scope of Commission employment, duties, or
20 responsibilities, or that such person had a reasonable basis for
21 believing occurred within the scope of Commission employment, duties, or
22 responsibilities, provided that the actual or alleged act, error, or
23 omission did not result from the intentional or willful or wanton
24 misconduct of that person.

25 ARTICLE XI

26 RULEMAKING

27 A. The Commission shall exercise its rulemaking powers pursuant to
28 the criteria set forth in this Article and the rules adopted thereunder.
29 Rules and amendments shall become binding as of the date specified in
30 each rule or amendment.

31 B. If a majority of the legislatures of the compact states rejects a

1 rule, by enactment of a statute or resolution in the same manner used to
2 adopt the Psychology Interjurisdictional Compact, then such rule shall
3 have no further force and effect in any compact state.

4 C. Rules or amendments to the rules shall be adopted at a regular or
5 special meeting of the Commission.

6 D. Prior to promulgation and adoption of a final rule or rules by
7 the Commission, and at least sixty days in advance of the meeting at
8 which the rule will be considered and voted upon, the Commission shall
9 file a notice of proposed rulemaking:

10 1. On the web site of the Commission; and

11 2. On the web site of each compact state's state psychology
12 regulatory authority or the publication in which each state would
13 otherwise publish proposed rules.

14 E. The notice of proposed rulemaking shall include:

15 1. The proposed time, date, and location of the meeting in which the
16 rule will be considered and voted upon;

17 2. The text of the proposed rule or amendment and the reason for the
18 proposed rule;

19 3. A request for comments on the proposed rule from any interested
20 person; and

21 4. The manner in which interested persons may submit notice to the
22 Commission of their intention to attend the public hearing and any
23 written comments.

24 F. Prior to adoption of a proposed rule, the Commission shall allow
25 persons to submit written data, facts, opinions, and arguments, which
26 shall be made available to the public.

27 G. The Commission shall grant an opportunity for a public hearing
28 before it adopts a rule or amendment if a hearing is requested by:

29 1. At least twenty-five persons who submit comments independently of
30 each other;

31 2. A governmental subdivision or agency; or

1 3. A duly appointed person in an association that has at least
2 twenty-five members.

3 H. If a hearing is held on the proposed rule or amendment, the
4 Commission shall publish the place, time, and date of the scheduled
5 public hearing.

6 1. All persons wishing to be heard at the hearing shall notify the
7 executive director of the Commission or other designated member in
8 writing of their desire to appear and testify at the hearing not less
9 than five business days before the scheduled date of the hearing.

10 2. Hearings shall be conducted in a manner providing each person who
11 wishes to comment a fair and reasonable opportunity to comment orally or
12 in writing.

13 3. No transcript of the hearing is required, unless a written
14 request for a transcript is made, in which case the person requesting the
15 transcript shall bear the cost of producing the transcript. A recording
16 may be made in lieu of a transcript under the same terms and conditions
17 as a transcript. This subsection shall not preclude the Commission from
18 making a transcript or recording of the hearing if it so chooses.

19 4. Nothing in this Article shall be construed as requiring a
20 separate hearing on each rule. Rules may be grouped for the convenience
21 of the Commission at hearings required by this Article.

22 I. Following the scheduled hearing date, or by the close of business
23 on the scheduled hearing date if the hearing was not held, the Commission
24 shall consider all written and oral comments received.

25 J. The Commission shall, by majority vote of all members, take final
26 action on the proposed rule and shall determine the effective date of the
27 rule, if any, based on the rulemaking record and the full text of the
28 rule.

29 K. If no written notice of intent to attend the public hearing by
30 interested parties is received, the Commission may proceed with
31 promulgation of the proposed rule without a public hearing.

1 L. Upon determination that an emergency exists, the Commission may
2 consider and adopt an emergency rule without prior notice, opportunity
3 for comment, or hearing, provided that the usual rulemaking procedures
4 provided in the Compact and in this section shall be retroactively
5 applied to the rule as soon as reasonably possible, in no event later
6 than ninety days after the effective date of the rule. For the purposes
7 of this paragraph, an emergency rule is one that must be adopted
8 immediately in order to:

- 9 1. Meet an imminent threat to public health, safety, or welfare;
- 10 2. Prevent a loss of Commission or compact state funds;
- 11 3. Meet a deadline for the promulgation of an administrative rule
12 that is established by federal law or rule; or
- 13 4. Protect public health and safety.

14 M. The Commission or an authorized committee of the Commission may
15 direct revisions to a previously adopted rule or amendment for purposes
16 of correcting typographical errors, errors in format, errors in
17 consistency, or grammatical errors. Public notice of any revisions shall
18 be posted on the web site of the Commission. The revision shall be
19 subject to challenge by any person for a period of thirty days after
20 posting. The revision may be challenged only on grounds that the revision
21 results in a material change to a rule. A challenge shall be made in
22 writing, and delivered to the chair of the Commission prior to the end of
23 the notice period. If no challenge is made, the revision will take effect
24 without further action. If the revision is challenged, the revision may
25 not take effect without the approval of the Commission.

26 ARTICLE XII

27 OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

28 A. Oversight

29 1. The executive, legislative, and judicial branches of state
30 government in each compact state shall enforce the Psychology
31 Interjurisdictional Compact and take all actions necessary and

1 appropriate to effectuate the Compact's purposes and intent. The Compact
2 and the rules promulgated under the Compact shall have standing as
3 statutory law.

4 2. All courts shall take judicial notice of the Compact and the
5 rules in any judicial or administrative proceeding in a compact state
6 pertaining to the subject matter of the Compact which may affect the
7 powers, responsibilities, or actions of the Commission.

8 3. The Commission shall be entitled to receive service of process in
9 any such proceeding and shall have standing to intervene in such a
10 proceeding for all purposes. Failure to provide service of process to the
11 Commission shall render a judgment or order void as to the Commission,
12 the Compact, or promulgated rules.

13 B. Default, Technical Assistance, and Termination

14 1. If the Commission determines that a compact state has defaulted
15 in the performance of its obligations or responsibilities under the
16 Compact or the promulgated rules, the Commission shall:

17 a. Provide written notice to the defaulting state and other compact
18 states of the nature of the default, the proposed means of remedying the
19 default, or any other action to be taken by the Commission; and

20 b. Provide remedial training and specific technical assistance
21 regarding the default.

22 2. If a state in default fails to remedy the default, the defaulting
23 state may be terminated from the Compact upon an affirmative vote of a
24 majority of the compact states, and all rights, privileges, and benefits
25 conferred by the Compact shall be terminated on the effective date of
26 termination. A remedy of the default does not relieve the offending state
27 of obligations or liabilities incurred during the period of default.

28 3. Termination of membership in the Compact shall be imposed only
29 after all other means of securing compliance have been exhausted. Notice
30 of intent to suspend or terminate shall be submitted by the Commission to
31 the Governor, the majority and minority leaders of the defaulting state's

1 legislature or the Speaker if no such leaders exist, and each of the
2 compact states.

3 4. A compact state which has been terminated is responsible for all
4 assessments, obligations, and liabilities incurred through the effective
5 date of termination, including obligations which extend beyond the
6 effective date of termination.

7 5. The Commission shall not bear any costs incurred by the state
8 which is found to be in default or which has been terminated from the
9 Compact, unless agreed upon in writing between the Commission and the
10 defaulting state.

11 6. The defaulting state may appeal the action of the Commission by
12 petitioning the United States District Court for the State of Georgia or
13 the federal district where the Compact has its principal offices. The
14 prevailing member shall be awarded all costs of such litigation,
15 including reasonable attorney's fees.

16 C. Dispute Resolution

17 1. Upon request by a compact state, the Commission shall attempt to
18 resolve disputes related to the Compact which arise among compact states
19 and between compact and noncompact states.

20 2. The Commission shall promulgate a rule providing for both
21 mediation and binding dispute resolution for disputes that arise before
22 the Commission.

23 D. Enforcement

24 1. The Commission, in the reasonable exercise of its discretion,
25 shall enforce the provisions and rules of the Compact.

26 2. By majority vote, the Commission may initiate legal action in the
27 United States District Court for the State of Georgia or the federal
28 district where the Compact has its principal offices against a compact
29 state in default to enforce compliance with the provisions of the Compact
30 and its promulgated rules and bylaws. The relief sought may include both
31 injunctive relief and damages. In the event judicial enforcement is

1 necessary, the prevailing member shall be awarded all costs of such
2 litigation, including reasonable attorney's fees.

3 3. The remedies in this Article shall not be the exclusive remedies
4 of the Commission. The Commission may pursue any other remedies available
5 under federal or state law.

6 ARTICLE XIII

7 DATE OF IMPLEMENTATION OF THE PSYCHOLOGY INTERJURISDICTIONAL COMPACT
8 COMMISSION AND ASSOCIATED RULES, WITHDRAWAL, AND AMENDMENTS

9 A. The Psychology Interjurisdictional Compact shall come into effect
10 on the date on which the Compact is enacted into law in the seventh
11 compact state. The provisions which become effective at that time shall
12 be limited to the powers granted to the Commission relating to assembly
13 and the promulgation of rules. Thereafter, the Commission shall meet and
14 exercise rulemaking powers necessary to the implementation and
15 administration of the Compact.

16 B. Any state which joins the Compact subsequent to the Commission's
17 initial adoption of the rules shall be subject to the rules as they exist
18 on the date on which the Compact becomes law in that state. Any rule
19 which has been previously adopted by the Commission shall have the full
20 force and effect of law on the day the Compact becomes law in that state.

21 C. Any compact state may withdraw from this Compact by enacting a
22 statute repealing the same.

23 1. A compact state's withdrawal shall not take effect until six
24 months after enactment of the repealing statute.

25 2. Withdrawal shall not affect the continuing requirement of the
26 withdrawing state's state psychology regulatory authority to comply with
27 the investigative and adverse action reporting requirements of the
28 Compact prior to the effective date of withdrawal.

29 D. Nothing contained in the Compact shall be construed to invalidate
30 or prevent any psychology licensure agreement or other cooperative
31 arrangement between a compact state and a noncompact state which does not

1 conflict with the Compact.

2 E. The Compact may be amended by the compact states. No amendment to
3 the Compact shall become effective and binding upon any compact state
4 until it is enacted into the law of all compact states.

5 ARTICLE XIV

6 CONSTRUCTION AND SEVERABILITY

7 The Psychology Interjurisdictional Compact shall be liberally
8 construed so as to effectuate the purposes of the Compact. If the Compact
9 shall be held contrary to the constitution of any state which is a member
10 of the Compact, the Compact shall remain in full force and effect as to
11 the remaining compact states.

12 Sec. 9. Section 58-809, Revised Statutes Cumulative Supplement,
13 2018, is amended to read:

14 58-809 Private institution of higher education means a not-for-
15 profit educational institution located within this state which is not
16 owned or controlled by the state or any political subdivision, agency,
17 instrumentality, district, or municipality thereof, which is authorized
18 by law to provide a program of education beyond the high school level,
19 and which:

20 (1) Admits as regular students only individuals having a certificate
21 of graduation from a high school or the recognized equivalent of such a
22 certificate;

23 (2) Provides an educational program for which it awards a bachelor's
24 degree; provides an educational program, admission into which is
25 conditioned upon the prior attainment of a bachelor's degree or its
26 equivalent, for which it awards a postgraduate degree; provides a program
27 of not less than two years in length which is acceptable for full credit
28 toward a bachelor's degree; or offers a two-year program in engineering,
29 mathematics, or the physical or biological sciences which is designed to
30 prepare the student to work as a technician and at a semiprofessional
31 level in engineering, research, medicine, or other technological fields

1 which require the understanding and application of basic engineering,
2 scientific, or mathematical principles or knowledge;

3 (3) Is accredited by an ~~a regionally recognized~~ accrediting agency
4 or association or, if not so accredited, is an institution whose credits
5 are accepted, on transfer, by not less than three institutions which are
6 so accredited, for credit on the same basis as if transferred from an
7 institution so accredited; and

8 (4) Has a student admissions policy that does not violate any other
9 Nebraska or federal law against discrimination on the basis of race,
10 color, creed, national origin, ancestry, age, gender, or handicap.

11 Sec. 10. Section 71-8404, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 71-8404 Except as provided in sections 71-8405 and 71-8407, for
14 medical records provided under section 71-8403 or under subpoena by a
15 patient or his or her authorized representative a provider may charge no
16 more than thirty-five ~~twenty~~ dollars as a handling fee for electronic or
17 paper records and may charge no more than fifty cents per page as a
18 copying fee for paper records. A provider may charge for the reasonable
19 cost of all duplications of medical records which cannot routinely be
20 copied or duplicated on a standard photocopy machine. A provider may
21 charge an amount necessary to cover the cost of labor and materials for
22 furnishing a copy of an X-ray or similar special medical record. If the
23 provider does not have the ability to reproduce X-rays or other records
24 requested, the person making the request may arrange, at his or her
25 expense, for the reproduction of such records.

26 Sec. 11. Section 76-2203.01, Reissue Revised Statutes of Nebraska,
27 is amended to read:

28 76-2203.01 Accredited degree-awarding community college, college, or
29 university means an institution that is approved or accredited by an a
30 ~~regional or national~~ accreditation association or ~~an~~ agency recognized by
31 the United States Secretary of Education.

1 Sec. 12. Section 77-1601.02, Revised Statutes Supplement, 2019, is
2 amended to read:

3 77-1601.02 (1) If the annual assessment of property would result in
4 an increase in the total property taxes levied by a county, municipality,
5 school district, learning community, sanitary and improvement district,
6 natural resources district, educational service unit, or community
7 college, as determined using the previous year's rate of levy, such
8 political subdivision's property tax request for the current year shall
9 be no more than its property tax request in the prior year, and the
10 political subdivision's rate of levy for the current year shall be
11 decreased accordingly when such rate is set by the county board of
12 equalization pursuant to section 77-1601. The governing body of the
13 political subdivision shall pass a resolution or ordinance to set the
14 amount of its property tax request after holding the public hearing
15 required in subsection (3) of this section. If the governing body of a
16 political subdivision seeks to set its property tax request at an amount
17 that exceeds its property tax request in the prior year, it may do so
18 after holding the public hearing required in subsection (3) of this
19 section and by passing a resolution or ordinance that complies with
20 subsection (4) of this section.

21 (2) If the annual assessment of property would result in no change
22 or a decrease in the total property taxes levied by a county,
23 municipality, school district, learning community, sanitary and
24 improvement district, natural resources district, educational service
25 unit, or community college, as determined using the previous year's rate
26 of levy, such political subdivision's property tax request for the
27 current year shall be no more than its property tax request in the prior
28 year, and the political subdivision's rate of levy for the current year
29 shall be adjusted accordingly when such rate is set by the county board
30 of equalization pursuant to section 77-1601. The governing body of the
31 political subdivision shall pass a resolution or ordinance to set the

1 amount of its property tax request after holding the public hearing
2 required in subsection (3) of this section. If the governing body of a
3 political subdivision seeks to set its property tax request at an amount
4 that exceeds its property tax request in the prior year, it may do so
5 after holding the public hearing required in subsection (3) of this
6 section and by passing a resolution or ordinance that complies with
7 subsection (4) of this section.

8 (3) The resolution or ordinance required under this section shall
9 only be passed after a special public hearing called for such purpose is
10 held and after notice is published in a newspaper of general circulation
11 in the area of the political subdivision at least four calendar days
12 prior to the hearing. For purposes of such notice, the four calendar days
13 shall include the day of publication but not the day of hearing. If the
14 political subdivision's total operating budget, not including reserves,
15 does not exceed ten thousand dollars per year or twenty thousand dollars
16 per biennial period, the notice may be posted at the governing body's
17 principal headquarters. The hearing notice shall contain the following
18 information: The certified taxable valuation under section 13-509 for the
19 prior year, the certified taxable valuation under section 13-509 for the
20 current year, and the percentage increase or decrease in such valuations
21 from the prior year to the current year; the dollar amount of the prior
22 year's tax request and the property tax rate that was necessary to fund
23 that tax request; the property tax rate that would be necessary to fund
24 last year's tax request if applied to the current year's valuation; the
25 proposed dollar amount of the tax request for the current year and the
26 property tax rate that will be necessary to fund that tax request; the
27 percentage increase or decrease in the property tax rate from the prior
28 year to the current year; and the percentage increase or decrease in the
29 total operating budget from the prior year to the current year.

30 (4) Any resolution or ordinance setting a political subdivision's
31 property tax request at an amount that exceeds the political

1 subdivision's property tax request in the prior year shall include, but
2 not be limited to, the following information:

3 (a) The name of the political subdivision;

4 (b) The amount of the property tax request;

5 (c) The following statements:

6 (i) The total assessed value of property differs from last year's
7 total assessed value by percent;

8 (ii) The tax rate which would levy the same amount of property taxes
9 as last year, when multiplied by the new total assessed value of
10 property, would be \$..... per \$100 of assessed value;

11 (iii) The (name of political subdivision) proposes to adopt a
12 property tax request that will cause its tax rate to be \$..... per \$100
13 of assessed value; and

14 (iv) Based on the proposed property tax request and changes in other
15 revenue, the total operating budget of (name of political subdivision) in
16 comparison to will exceed last year's budget will change by
17 percent; and

18 (d) The record vote of the governing body in passing such resolution
19 or ordinance.

20 (5) Any resolution or ordinance setting a property tax request under
21 this section shall be certified and forwarded to the county clerk on or
22 before October 13 of the year for which the tax request is to apply.

23 (6) Any levy which is not in compliance with this section and
24 section 77-1601 shall be construed as an unauthorized levy under section
25 77-1606.

26 Sec. 13. Section 77-2704.12, Reissue Revised Statutes of Nebraska,
27 is amended to read:

28 77-2704.12 (1) Sales and use taxes shall not be imposed on the gross
29 receipts from the sale, lease, or rental of and the storage, use, or
30 other consumption in this state of purchases by (a) any nonprofit
31 organization created exclusively for religious purposes, (b) any

1 nonprofit organization providing services exclusively to the blind, (c)
2 any nonprofit private educational institution established under sections
3 79-1601 to 79-1607, (d) any ~~regionally or nationally~~ accredited,
4 nonprofit, privately controlled college or university with its primary
5 campus physically located in Nebraska, (e) any nonprofit (i) hospital,
6 (ii) health clinic when one or more hospitals or the parent corporations
7 of the hospitals own or control the health clinic for the purpose of
8 reducing the cost of health services or when the health clinic receives
9 federal funds through the United States Public Health Service for the
10 purpose of serving populations that are medically underserved, (iii)
11 skilled nursing facility, (iv) intermediate care facility, (v) assisted-
12 living facility, (vi) intermediate care facility for persons with
13 developmental disabilities, (vii) nursing facility, (viii) home health
14 agency, (ix) hospice or hospice service, (x) respite care service, (xi)
15 mental health substance use treatment center licensed under the Health
16 Care Facility Licensure Act, or (xii) center for independent living as
17 defined in 29 U.S.C. 796a, (f) any nonprofit licensed residential child-
18 caring agency, (g) any nonprofit licensed child-placing agency, or (h)
19 any nonprofit organization certified by the Department of Health and
20 Human Services to provide community-based services for persons with
21 developmental disabilities.

22 (2) Any organization listed in subsection (1) of this section shall
23 apply for an exemption on forms provided by the Tax Commissioner. The
24 application shall be approved and a numbered certificate of exemption
25 received by the applicant organization in order to be exempt from the
26 sales and use tax.

27 (3) The appointment of purchasing agents shall be recognized for the
28 purpose of altering the status of the construction contractor as the
29 ultimate consumer of building materials which are physically annexed to
30 the structure and which subsequently belong to the owner of the
31 organization or institution. The appointment of purchasing agents shall

1 be in writing and occur prior to having any building materials annexed to
2 real estate in the construction, improvement, or repair. The contractor
3 who has been appointed as a purchasing agent may apply for a refund of or
4 use as a credit against a future use tax liability the tax paid on
5 inventory items annexed to real estate in the construction, improvement,
6 or repair of a project for a licensed not-for-profit institution.

7 (4) Any organization listed in subsection (1) of this section which
8 enters into a contract of construction, improvement, or repair upon
9 property annexed to real estate without first issuing a purchasing agent
10 authorization to a contractor or repairperson prior to the building
11 materials being annexed to real estate in the project may apply to the
12 Tax Commissioner for a refund of any sales and use tax paid by the
13 contractor or repairperson on the building materials physically annexed
14 to real estate in the construction, improvement, or repair.

15 (5) Any person purchasing, storing, using, or otherwise consuming
16 building materials in the performance of any construction, improvement,
17 or repair by or for any institution enumerated in subsection (1) of this
18 section which is licensed upon completion although not licensed at the
19 time of construction or improvement, which building materials are annexed
20 to real estate and which subsequently belong to the owner of the
21 institution, shall pay any applicable sales or use tax thereon. Upon
22 becoming licensed and receiving a numbered certificate of exemption, the
23 institution organized not for profit shall be entitled to a refund of the
24 amount of taxes so paid in the performance of such construction,
25 improvement, or repair and shall submit whatever evidence is required by
26 the Tax Commissioner sufficient to establish the total sales and use tax
27 paid upon the building materials physically annexed to real estate in the
28 construction, improvement, or repair.

29 Sec. 14. Section 77-27,119, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 77-27,119 (1) The Tax Commissioner shall administer and enforce the

1 income tax imposed by sections 77-2714 to 77-27,135, and he or she is
2 authorized to conduct hearings, to adopt and promulgate such rules and
3 regulations, and to require such facts and information to be reported as
4 he or she may deem necessary to enforce the income tax provisions of such
5 sections, except that such rules, regulations, and reports shall not be
6 inconsistent with the laws of this state or the laws of the United
7 States. The Tax Commissioner may for enforcement and administrative
8 purposes divide the state into a reasonable number of districts in which
9 branch offices may be maintained.

10 (2)(a) The Tax Commissioner may prescribe the form and contents of
11 any return or other document required to be filed under the income tax
12 provisions. Such return or other document shall be compatible as to form
13 and content with the return or document required by the laws of the
14 United States. The form shall have a place where the taxpayer shall
15 designate the ~~high~~ school district in which he or she lives and the
16 county in which the ~~high~~ school district is headquartered. The Tax
17 Commissioner shall adopt and promulgate such rules and regulations as may
18 be necessary to insure compliance with this requirement.

19 (b) The State Department of Education, with the assistance and
20 cooperation of the Department of Revenue, shall develop a uniform system
21 for numbering all school districts in the state. Such system shall be
22 consistent with the data processing needs of the Department of Revenue
23 and shall be used for the school district identification required by
24 subdivision (a) of this subsection.

25 (c) The proper filing of an income tax return shall consist of the
26 submission of such form as prescribed by the Tax Commissioner or an exact
27 facsimile thereof with sufficient information provided by the taxpayer on
28 the face of the form from which to compute the actual tax liability. Each
29 taxpayer shall include such taxpayer's correct social security number or
30 state identification number and the school district identification number
31 of the school district in which the taxpayer resides on the face of the

1 form. A filing is deemed to occur when the required information is
2 provided.

3 (3) The Tax Commissioner, for the purpose of ascertaining the
4 correctness of any return or other document required to be filed under
5 the income tax provisions, for the purpose of determining corporate
6 income, individual income, and withholding tax due, or for the purpose of
7 making an estimate of taxable income of any person, shall have the power
8 to examine or to cause to have examined, by any agent or representative
9 designated by him or her for that purpose, any books, papers, records, or
10 memoranda bearing upon such matters and may by summons require the
11 attendance of the person responsible for rendering such return or other
12 document or remitting any tax, or any officer or employee of such person,
13 or the attendance of any other person having knowledge in the premises,
14 and may take testimony and require proof material for his or her
15 information, with power to administer oaths or affirmations to such
16 person or persons.

17 (4) The time and place of examination pursuant to this section shall
18 be such time and place as may be fixed by the Tax Commissioner and as are
19 reasonable under the circumstances. In the case of a summons, the date
20 fixed for appearance before the Tax Commissioner shall not be less than
21 twenty days from the time of service of the summons.

22 (5) No taxpayer shall be subjected to unreasonable or unnecessary
23 examinations or investigations.

24 (6) Except in accordance with proper judicial order or as otherwise
25 provided by law, it shall be unlawful for the Tax Commissioner, any
26 officer or employee of the Tax Commissioner, any person engaged or
27 retained by the Tax Commissioner on an independent contract basis, any
28 person who pursuant to this section is permitted to inspect any report or
29 return or to whom a copy, an abstract, or a portion of any report or
30 return is furnished, any employee of the State Treasurer or the
31 Department of Administrative Services, or any other person to divulge,

1 make known, or use in any manner the amount of income or any particulars
2 set forth or disclosed in any report or return required except for the
3 purpose of enforcing sections 77-2714 to 77-27,135. The officers charged
4 with the custody of such reports and returns shall not be required to
5 produce any of them or evidence of anything contained in them in any
6 action or proceeding in any court, except on behalf of the Tax
7 Commissioner in an action or proceeding under the provisions of the tax
8 law to which he or she is a party or on behalf of any party to any action
9 or proceeding under such sections when the reports or facts shown thereby
10 are directly involved in such action or proceeding, in either of which
11 events the court may require the production of, and may admit in
12 evidence, so much of such reports or of the facts shown thereby as are
13 pertinent to the action or proceeding and no more. Nothing in this
14 section shall be construed (a) to prohibit the delivery to a taxpayer,
15 his or her duly authorized representative, or his or her successors,
16 receivers, trustees, personal representatives, administrators, assignees,
17 or guarantors, if directly interested, of a certified copy of any return
18 or report in connection with his or her tax, (b) to prohibit the
19 publication of statistics so classified as to prevent the identification
20 of particular reports or returns and the items thereof, (c) to prohibit
21 the inspection by the Attorney General, other legal representatives of
22 the state, or a county attorney of the report or return of any taxpayer
23 who brings an action to review the tax based thereon, against whom an
24 action or proceeding for collection of tax has been instituted, or
25 against whom an action, proceeding, or prosecution for failure to comply
26 with the Nebraska Revenue Act of 1967 is being considered or has been
27 commenced, (d) to prohibit furnishing to the Nebraska Workers'
28 Compensation Court the names, addresses, and identification numbers of
29 employers, and such information shall be furnished on request of the
30 court, (e) to prohibit the disclosure of information and records to a
31 collection agency contracting with the Tax Commissioner pursuant to

1 sections 77-377.01 to 77-377.04, (f) to prohibit the disclosure of
2 information pursuant to section 77-27,195, 77-4110, or 77-5731, (g) to
3 prohibit the disclosure to the Public Employees Retirement Board of the
4 addresses of individuals who are members of the retirement systems
5 administered by the board, and such information shall be furnished to the
6 board solely for purposes of its administration of the retirement systems
7 upon written request, which request shall include the name and social
8 security number of each individual for whom an address is requested, (h)
9 to prohibit the disclosure of information to the Department of Labor
10 necessary for the administration of the Employment Security Law, the
11 Contractor Registration Act, or the Employee Classification Act, (i) to
12 prohibit the disclosure to the Department of Motor Vehicles of tax return
13 information pertaining to individuals, corporations, and businesses
14 determined by the Department of Motor Vehicles to be delinquent in the
15 payment of amounts due under agreements pursuant to the International
16 Fuel Tax Agreement Act, and such disclosure shall be strictly limited to
17 information necessary for the administration of the act, (j) to prohibit
18 the disclosure under section 42-358.08, 43-512.06, or 43-3327 to any
19 court-appointed individuals, the county attorney, any authorized
20 attorney, or the Department of Health and Human Services of an absent
21 parent's address, social security number, amount of income, health
22 insurance information, and employer's name and address for the exclusive
23 purpose of establishing and collecting child, spousal, or medical
24 support, (k) to prohibit the disclosure of information to the Department
25 of Insurance, the Nebraska State Historical Society, or the State
26 Historic Preservation Officer as necessary to carry out the Department of
27 Revenue's responsibilities under the Nebraska Job Creation and Mainstreet
28 Revitalization Act, or (l) to prohibit the disclosure to the Department
29 of Insurance of information pertaining to authorization for, and use of,
30 tax credits under the New Markets Job Growth Investment Act. Information
31 so obtained shall be used for no other purpose. Any person who violates

1 this subsection shall be guilty of a felony and shall upon conviction
2 thereof be fined not less than one hundred dollars nor more than five
3 hundred dollars, or be imprisoned not more than five years, or be both so
4 fined and imprisoned, in the discretion of the court and shall be
5 assessed the costs of prosecution. If the offender is an officer or
6 employee of the state, he or she shall be dismissed from office and be
7 ineligible to hold any public office in this state for a period of two
8 years thereafter.

9 (7) Reports and returns required to be filed under income tax
10 provisions of sections 77-2714 to 77-27,135 shall be preserved until the
11 Tax Commissioner orders them to be destroyed.

12 (8) Notwithstanding the provisions of subsection (6) of this
13 section, the Tax Commissioner may permit the Secretary of the Treasury of
14 the United States or his or her delegates or the proper officer of any
15 state imposing an income tax, or the authorized representative of either
16 such officer, to inspect the income tax returns of any taxpayer or may
17 furnish to such officer or his or her authorized representative an
18 abstract of the return of income of any taxpayer or supply him or her
19 with information concerning an item of income contained in any return or
20 disclosed by the report of any investigation of the income or return of
21 income of any taxpayer, but such permission shall be granted only if the
22 statutes of the United States or of such other state, as the case may be,
23 grant substantially similar privileges to the Tax Commissioner of this
24 state as the officer charged with the administration of the income tax
25 imposed by sections 77-2714 to 77-27,135.

26 (9) Notwithstanding the provisions of subsection (6) of this
27 section, the Tax Commissioner may permit the Postal Inspector of the
28 United States Postal Service or his or her delegates to inspect the
29 reports or returns of any person filed pursuant to the Nebraska Revenue
30 Act of 1967 when information on the reports or returns is relevant to any
31 action or proceeding instituted or being considered by the United States

1 Postal Service against such person for the fraudulent use of the mails to
2 carry and deliver false and fraudulent tax returns to the Tax
3 Commissioner with the intent to defraud the State of Nebraska or to evade
4 the payment of Nebraska state taxes.

5 (10)(a) Notwithstanding the provisions of subsection (6) of this
6 section, the Tax Commissioner shall, upon written request by the Auditor
7 of Public Accounts or the office of Legislative Audit, make tax returns
8 and tax return information open to inspection by or disclosure to
9 officers and employees of the Auditor of Public Accounts or employees of
10 the office of Legislative Audit for the purpose of and to the extent
11 necessary in making an audit of the Department of Revenue pursuant to
12 section 50-1205 or 84-304. The Auditor of Public Accounts or office of
13 Legislative Audit shall statistically and randomly select the tax returns
14 and tax return information to be audited based upon a computer tape
15 provided by the Department of Revenue which contains only total
16 population documents without specific identification of taxpayers. The
17 Tax Commissioner shall have the authority to approve the statistical
18 sampling method used by the Auditor of Public Accounts or office of
19 Legislative Audit. Confidential tax returns and tax return information
20 shall be audited only upon the premises of the Department of Revenue. All
21 audit workpapers pertaining to the audit of the Department of Revenue
22 shall be stored in a secure place in the Department of Revenue.

23 (b) When selecting tax returns or tax return information for a
24 performance audit of a tax incentive program, the office of Legislative
25 Audit shall select the tax returns or tax return information for either
26 all or a statistically and randomly selected sample of taxpayers who have
27 applied for or who have qualified for benefits under the tax incentive
28 program that is the subject of the audit. When the office of Legislative
29 Audit reports on its review of tax returns and tax return information, it
30 shall comply with subdivision (10)(c) of this section.

31 (c) No officer or employee of the Auditor of Public Accounts or

1 office of Legislative Audit employee shall disclose to any person, other
2 than another officer or employee of the Auditor of Public Accounts or
3 office of Legislative Audit whose official duties require such
4 disclosure, any return or return information described in the Nebraska
5 Revenue Act of 1967 in a form which can be associated with or otherwise
6 identify, directly or indirectly, a particular taxpayer.

7 (d) Any person who violates the provisions of this subsection shall
8 be guilty of a Class IV felony and, in the discretion of the court, may
9 be assessed the costs of prosecution. The guilty officer or employee
10 shall be dismissed from employment and be ineligible to hold any position
11 of employment with the State of Nebraska for a period of two years
12 thereafter. For purposes of this subsection, officer or employee shall
13 include a former officer or employee of the Auditor of Public Accounts or
14 former employee of the office of Legislative Audit.

15 (11) For purposes of subsections (10) through (13) of this section:

16 (a) Tax returns shall mean any tax or information return or claim
17 for refund required by, provided for, or permitted under sections 77-2714
18 to 77-27,135 which is filed with the Tax Commissioner by, on behalf of,
19 or with respect to any person and any amendment or supplement thereto,
20 including supporting schedules, attachments, or lists which are
21 supplemental to or part of the filed return;

22 (b) Return information shall mean:

23 (i) A taxpayer's identification number and (A) the nature, source,
24 or amount of his or her income, payments, receipts, deductions,
25 exemptions, credits, assets, liabilities, net worth, tax liability, tax
26 withheld, deficiencies, overassessments, or tax payments, whether the
27 taxpayer's return was, is being, or will be examined or subject to other
28 investigation or processing or (B) any other data received by, recorded
29 by, prepared by, furnished to, or collected by the Tax Commissioner with
30 respect to a return or the determination of the existence or possible
31 existence of liability or the amount of liability of any person for any

1 tax, penalty, interest, fine, forfeiture, or other imposition or offense;
2 and

3 (ii) Any part of any written determination or any background file
4 document relating to such written determination; and

5 (c) Disclosures shall mean the making known to any person in any
6 manner a return or return information.

7 (12) The Auditor of Public Accounts shall (a) notify the Tax
8 Commissioner in writing thirty days prior to the beginning of an audit of
9 his or her intent to conduct an audit, (b) provide an audit plan, and (c)
10 provide a list of the tax returns and tax return information identified
11 for inspection during the audit. The office of Legislative Audit shall
12 notify the Tax Commissioner of the intent to conduct an audit and of the
13 scope of the audit as provided in section 50-1209.

14 (13) The Auditor of Public Accounts or the office of Legislative
15 Audit shall, as a condition for receiving tax returns and tax return
16 information: (a) Subject employees involved in the audit to the same
17 confidential information safeguards and disclosure procedures as required
18 of Department of Revenue employees; (b) establish and maintain a
19 permanent system of standardized records with respect to any request for
20 tax returns or tax return information, the reason for such request, and
21 the date of such request and any disclosure of the tax return or tax
22 return information; (c) establish and maintain a secure area or place in
23 the Department of Revenue in which the tax returns, tax return
24 information, or audit workpapers shall be stored; (d) restrict access to
25 the tax returns or tax return information only to persons whose duties or
26 responsibilities require access; (e) provide such other safeguards as the
27 Tax Commissioner determines to be necessary or appropriate to protect the
28 confidentiality of the tax returns or tax return information; (f) provide
29 a report to the Tax Commissioner which describes the procedures
30 established and utilized by the Auditor of Public Accounts or office of
31 Legislative Audit for insuring the confidentiality of tax returns, tax

1 return information, and audit workpapers; and (g) upon completion of use
2 of such returns or tax return information, return to the Tax Commissioner
3 such returns or tax return information, along with any copies.

4 (14) The Tax Commissioner may permit other tax officials of this
5 state to inspect the tax returns and reports filed under sections 77-2714
6 to 77-27,135, but such inspection shall be permitted only for purposes of
7 enforcing a tax law and only to the extent and under the conditions
8 prescribed by the rules and regulations of the Tax Commissioner.

9 (15) The Tax Commissioner shall compile the school district
10 information required by subsection (2) of this section. Insofar as it is
11 possible, such compilation shall include, but not be limited to, the
12 total adjusted gross income of each school district in the state. The Tax
13 Commissioner shall adopt and promulgate such rules and regulations as may
14 be necessary to insure that such compilation does not violate the
15 confidentiality of any individual income tax return nor conflict with any
16 other provisions of state or federal law.

17 Sec. 15. Section 79-422, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 79-422 ~~(1)~~ Bonded indebtedness approved by legal voters prior to
20 any change in school district boundary lines pursuant to sections 79-413
21 to 79-421 shall remain the obligation of the school district voting such
22 bonds unless otherwise specified in the petitions. When a district is
23 dissolved by petitions and the area is attached to two or more districts,
24 the petitions shall specify the disposition of assets and unbonded
25 obligations of the original district.

26 ~~(2) Bonded indebtedness approved by legal voters for high school~~
27 ~~facilities prior to the establishment of an affiliation shall remain the~~
28 ~~obligation of the high school district unless otherwise specified in the~~
29 ~~petitions.~~

30 Sec. 16. Section 79-433, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 79-433 For purposes of the Reorganization of School Districts Act,
2 unless the context otherwise requires:

3 (1) Reorganization of school districts means the formation of new
4 school districts, the alteration of boundaries of established school
5 districts that are not members of a learning community, ~~the affiliation~~
6 ~~of school districts,~~ and the dissolution or disorganization of
7 established school districts through or by means of any one or
8 combination of the methods set out in section 79-434; and

9 (2) State committee means the State Committee for the Reorganization
10 of School Districts created by section 79-435.

11 Sec. 17. Section 79-449, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 79-449 Whenever two or more school districts are involved in a
14 reorganization plan, the old districts shall continue to be responsible
15 for any indebtedness incurred before the reorganization takes place
16 unless a different arrangement is included in the plan voted upon by the
17 people. ~~Bonded indebtedness incurred for high school facilities prior to~~
18 ~~the adoption of any affiliation plan shall remain the obligation of the~~
19 ~~high school district unless otherwise specified in the petitions.~~

20 Sec. 18. Section 79-611, Revised Statutes Cumulative Supplement,
21 2018, is amended to read:

22 79-611 (1) The school board of any school district shall provide
23 free transportation, partially provide free transportation, or pay an
24 allowance for transportation in lieu of free transportation as follows:

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

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

1 such elementary school as measured by the shortest route that must
2 actually and necessarily be traveled by motor vehicle to reach the
3 student's residence;

4 (c) When a student attends a secondary school in his or her own
5 Class III school district and lives more than four miles from the
6 secondary school ~~public schoolhouse~~ as measured by the shortest route
7 that must actually and necessarily be traveled by motor vehicle to reach
8 the student's residence. This subdivision does not apply to any
9 elementary-only school district that merged with a high-school-only
10 school district to form a new Class III school district on or after
11 January 1, 1997, and before June 16, 2006; and

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

18 (2)(a) For school years prior to school year 2017-18 and as required
19 pursuant to subsection (3) of section 79-241, the school board of any
20 school district that is a member of a learning community shall provide
21 free transportation for a student who resides in such learning community
22 and attends school in such school district if (i) the student is
23 transferring pursuant to the open enrollment provisions of section
24 79-2110, qualifies for free or reduced-price lunches, lives more than one
25 mile from the school to which he or she transfers, and is not otherwise
26 disqualified under subdivision (2)(c) of this section, (ii) the student
27 is transferring pursuant to the open enrollment provisions of section
28 79-2110, is a student who contributes to the socioeconomic diversity of
29 enrollment at the school building he or she attends, lives more than one
30 mile from the school to which he or she transfers, and is not otherwise
31 disqualified under subdivision (2)(c) of this section, (iii) the student

1 is attending a focus school or program and lives more than one mile from
2 the school building housing the focus school or program, or (iv) the
3 student is attending a magnet school or program and lives more than one
4 mile from the magnet school or the school housing the magnet program.

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

10 (c) For any student who resides within a learning community and
11 transfers to another school building pursuant to the open enrollment
12 provisions of section 79-2110 and who had not been accepted for open
13 enrollment into any school building within such district prior to
14 September 6, 2013, the school board is exempt from the requirement of
15 subdivision (2)(a) of this section if (i) the student is transferring to
16 another school building within his or her home school district or (ii)
17 the student is transferring to a school building in a school district
18 that does not share a common border with his or her home school district.

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

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

31 (a) To the parent, custodial parent, or guardian providing

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

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

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

28 (6) The board may authorize school-provided transportation to any
29 student who does not qualify under the mileage requirements of subsection
30 (1) of this section and may charge a fee to the parent or guardian of the
31 student for such service. No transportation payments shall be made to a

1 family for mileage not actually traveled by such family. The number of
2 days the student has attended school shall be reported monthly by the
3 teacher to the board of such public school district.

4 (7) No more than one allowance shall be made to a family
5 irrespective of the number of students in a family being transported to
6 school.

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

9 Sec. 19. Section 79-807, Revised Statutes Supplement, 2019, is
10 amended to read:

11 79-807 For purposes of sections 79-806 to 79-815, unless the context
12 otherwise requires:

13 (1) Basic skills competency means either (a) proficiency in (i) the
14 written use of the English language, (ii) reading, comprehending, and
15 interpreting professional writing and other written materials, and (iii)
16 working with fundamental mathematical computations as demonstrated by
17 earned college credit or successful completion of an examination
18 designated by the board or (b) successful employment experiences;

19 (2) Board means the State Board of Education;

20 (3) Certificate means an authorization issued by the commissioner to
21 an individual who meets the qualifications to engage in teaching,
22 providing special services, or administering in prekindergarten through
23 grade twelve in the elementary and secondary schools in this state;

24 (4) Commissioner means the Commissioner of Education;

25 (5) Department means the State Department of Education;

26 (6) Human relations training means course work or employment
27 experiences that lead to (a) an awareness and understanding of the
28 values, lifestyles, contributions, and history of a pluralistic society,
29 (b) the ability to recognize and deal with dehumanizing biases,
30 including, but not limited to, sexism, racism, prejudice, and
31 discrimination, and an awareness of the impact such biases have on

1 interpersonal relations, (c) the ability to translate knowledge of human
2 relations into attitudes, skills, and techniques which result in
3 favorable experiences for students, (d) the ability to recognize the ways
4 in which dehumanizing biases may be reflected in instructional materials,
5 (e) respect for human dignity and individual rights, and (f) the ability
6 to relate effectively to other individuals and to groups in a pluralistic
7 society other than the applicant's own;

8 (7) Special education training means course work or employment
9 experiences that provide an individual with the knowledge of (a) the
10 exceptional needs of the disabilities defined under the Special Education
11 Act, (b) the major characteristics of each disability in order to
12 recognize its existence in children, (c) the various alternatives for
13 providing the least restrictive environment for children with
14 disabilities, (d) methods of teaching children with disabilities in the
15 regular classroom, and (e) prereferral alternatives, referral systems,
16 multidisciplinary team responsibilities, the individualized education
17 plan process, and the placement process;

18 (8) Special services means supportive services provided to students
19 that do not primarily involve teaching, including, but not limited to,
20 (a) audiology, psychology, and physical or occupational therapy, (b) the
21 coaching of extracurricular activities, and (c) subject areas for which
22 endorsement programs are not offered by a standard institution of higher
23 education; and

24 (9) Standard institution of higher education means any college or
25 university, the teacher education programs of which are fully approved by
26 the board or approved in another state pursuant to standards which are
27 comparable and equivalent to those set by the board.

28 Sec. 20. Section 79-8,133, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 79-8,133 The Attracting Excellence to Teaching Program is created.
31 For purposes of the Attracting Excellence to Teaching Program:

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

2 (2) Eligible institution means a not-for-profit college or
3 university which (a) is located in Nebraska, (b) is accredited by an a
4 ~~regional~~ accrediting agency recognized by the United States Department of
5 Education as determined to be acceptable by the State Board of Education,
6 (c) has a teacher education program, and (d) if a privately funded
7 college or university, has not opted out of the program pursuant to rules
8 and regulations;

9 (3) Eligible student means an individual who (a) is a full-time
10 student, (b) is enrolled in an eligible institution in an undergraduate
11 or a graduate teacher education program working toward his or her initial
12 certificate to teach in Nebraska, (c) if enrolled at a state-funded
13 eligible institution, is a resident student as described in section
14 85-502 or, if enrolled in a privately funded eligible institution, would
15 be deemed a resident student if enrolled in a state-funded eligible
16 institution, (d) for applicants applying for the first time on or after
17 April 23, 2009, is a student majoring in a shortage area, and (e) for
18 applicants applying to receive a loan during fiscal year 2011-12 or
19 2012-13, is a student who previously received a loan pursuant to the
20 Attracting Excellence to Teaching Program in the fiscal year immediately
21 preceding the fiscal year in which the new loan would be received;

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

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

29 (6) Shortage area means a secular field of teaching for which there
30 is a shortage, as determined by the department, of properly endorsed
31 teachers at the time the borrower first receives funds pursuant to the

1 program; and

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

5 Sec. 21. Section 79-8,137.01, Revised Statutes Cumulative
6 Supplement, 2018, is amended to read:

7 79-8,137.01 The Enhancing Excellence in Teaching Program is created.
8 For purposes of the Enhancing Excellence in Teaching Program:

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

10 (2) Eligible graduate program means a program of study offered by an
11 eligible institution which results in obtaining a graduate degree or a
12 graduate course of study leading to an endorsement in a shortage area
13 specified by the State Board of Education;

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

21 (4) Eligible student means an individual who (a) is a certificated
22 teacher employed to teach in an approved or accredited school in
23 Nebraska, (b) is enrolled in an eligible graduate program, (c) if
24 enrolled at a state-funded eligible institution, is a resident student as
25 described in section 85-502 or, if enrolled in a privately funded
26 eligible institution, would be deemed a resident student if enrolled in a
27 state-funded eligible institution, (d) is majoring in a shortage area,
28 curriculum and instruction, a subject area in which the individual
29 already holds a secular teaching endorsement, or a subject area that will
30 result in an additional secular teaching endorsement which the
31 superintendent of the school district or head administrator of the

1 private, denominational, or parochial school employing the individual
2 believes will be beneficial to the students of such school district or
3 school as evidenced by a statement signed by the superintendent or head
4 administrator, and (e) is applying for a loan pursuant to the Enhancing
5 Excellence in Teaching Program to be received at a time other than during
6 fiscal year 2011-12 or 2012-13;

7 (5) Majoring in a shortage area or subject area means pursuing a
8 degree or course of study which will allow an individual to be properly
9 endorsed to teach in such shortage area or subject area; and

10 (6) Shortage area means a secular field of teaching or endorsement
11 area for which there is a shortage, as determined by the department, of
12 properly endorsed teachers at the time the borrower first receives funds
13 pursuant to the Enhancing Excellence in Teaching Program.

14 Sec. 22. Section 79-1003, Revised Statutes Supplement, 2019, is
15 amended to read:

16 79-1003 For purposes of the Tax Equity and Educational Opportunities
17 Support Act:

18 (1) Adjusted general fund operating expenditures means (a) ~~for~~
19 ~~school fiscal years 2013-14 through 2015-16, the difference of the~~
20 ~~general fund operating expenditures as calculated pursuant to subdivision~~
21 ~~(23) of this section increased by the cost growth factor calculated~~
22 ~~pursuant to section 79-1007.10, minus the transportation allowance,~~
23 ~~special receipts allowance, poverty allowance, limited English~~
24 ~~proficiency allowance, distance education and telecommunications~~
25 ~~allowance, elementary site allowance, summer school allowance,~~
26 ~~instructional time allowance, teacher education allowance, and focus~~
27 ~~school and program allowance, (b) for school fiscal years 2016-17 through~~
28 2018-19, the difference of the general fund operating expenditures as
29 calculated pursuant to subdivision (23) of this section increased by the
30 cost growth factor calculated pursuant to section 79-1007.10, minus the
31 transportation allowance, special receipts allowance, poverty allowance,

1 limited English proficiency allowance, distance education and
2 telecommunications allowance, elementary site allowance, summer school
3 allowance, and focus school and program allowance, and (b) ~~(c)~~ for school
4 fiscal year 2019-20 and each school fiscal year thereafter, the
5 difference of the general fund operating expenditures as calculated
6 pursuant to subdivision (23) of this section increased by the cost growth
7 factor calculated pursuant to section 79-1007.10, minus the
8 transportation allowance, special receipts allowance, poverty allowance,
9 limited English proficiency allowance, distance education and
10 telecommunications allowance, elementary site allowance, summer school
11 allowance, community achievement plan allowance, and focus school and
12 program allowance;

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

23 (3) Allocated income tax funds means the amount of assistance paid
24 to a local system pursuant to section 79-1005.01;

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

30 (5) Base fiscal year means the first school fiscal year following
31 the school fiscal year in which the reorganization or unification

1 occurred;

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

3 (7) Categorical funds means funds limited to a specific purpose by
4 federal or state law, including, but not limited to, Title I funds, Title
5 VI funds, federal career and technical ~~vocational~~ education funds,
6 federal school lunch funds, Indian education funds, Head Start funds, and
7 funds from the Nebraska Education Improvement ~~Innovation~~ Fund;

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

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

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

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

26 (12) District means any school district or unified system as defined
27 in section 79-4,108;

28 (13) Ensuing school fiscal year means the school fiscal year
29 following the current school fiscal year;

30 (14) Equalization aid means the amount of assistance calculated to
31 be paid to a local system pursuant to section 79-1008.01;

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

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

7 (17) Formula students means:

8 (a) For state aid certified pursuant to section 79-1022, the sum of
9 the product of fall membership from the school fiscal year immediately
10 preceding the school fiscal year in which the aid is to be paid
11 multiplied by the average ratio of average daily membership to fall
12 membership for the second school fiscal year immediately preceding the
13 school fiscal year in which the aid is to be paid and the prior two
14 school fiscal years plus sixty percent of the qualified early childhood
15 education fall membership plus tuitioned students from the school fiscal
16 year immediately preceding the school fiscal year in which aid is to be
17 paid minus the product of the number of students enrolled in kindergarten
18 that is not full-day kindergarten from the fall membership multiplied by
19 0.5; and

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

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

30 (a) for schools that did not provide free meals to all students pursuant
31 to the community eligibility provision, students who individually

1 qualified for free lunches or free milk pursuant to the federal Richard
2 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
3 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
4 and sections existed on January 1, 2015, and rules and regulations
5 adopted thereunder, plus (b) for schools that provided free meals to all
6 students pursuant to the community eligibility provision, (i) for school
7 fiscal year 2016-17, the product of the students who attended such school
8 multiplied by the identified student percentage calculated pursuant to
9 such federal provision or (ii) for school fiscal year 2017-18 and each
10 school fiscal year thereafter, the greater of the number of students in
11 such school who individually qualified for free lunch or free milk using
12 the most recent school fiscal year for which the school did not provide
13 free meals to all students pursuant to the community eligibility
14 provision or one hundred ten percent of the product of the students who
15 qualified for free meals at such school pursuant to the community
16 eligibility provision multiplied by the identified student percentage
17 calculated pursuant to such federal provision, except that the free lunch
18 and free milk students calculated for any school pursuant to subdivision
19 (18)(b)(ii) of this section shall not exceed one hundred percent of the
20 students qualified for free meals at such school pursuant to the
21 community eligibility provision;

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

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

29 (21) General fund budget of expenditures means the total budget of
30 disbursements and transfers for general fund purposes as certified in the
31 budget statement adopted pursuant to the Nebraska Budget Act, except that

1 for purposes of the limitation imposed in section 79-1023, the general
2 fund budget of expenditures does not include any special grant funds,
3 exclusive of local matching funds, received by a district;

4 (22) General fund expenditures means all expenditures from the
5 general fund;

6 (23) General fund operating expenditures means for state aid
7 calculated for ~~school fiscal years 2012-13~~ and each school fiscal year
8 thereafter, as reported on the annual financial report for the second
9 school fiscal year immediately preceding the school fiscal year in which
10 aid is to be paid, the total general fund expenditures minus (a) the
11 amount of all receipts to the general fund, to the extent that such
12 receipts are not included in local system formula resources, from early
13 childhood education tuition, summer school tuition, educational entities
14 as defined in section 79-1201.01 for providing distance education courses
15 through the Educational Service Unit Coordinating Council to such
16 educational entities, private foundations, individuals, associations,
17 charitable organizations, the textbook loan program authorized by section
18 79-734, federal impact aid, and levy override elections pursuant to
19 section 77-3444, (b) the amount of expenditures for categorical funds,
20 tuition paid to other school districts, tuition paid to postsecondary
21 institutions for college credit, transportation fees paid to other
22 districts, adult education, community services, redemption of the
23 principal portion of general fund debt service, retirement incentive
24 plans authorized by section 79-855, and staff development assistance
25 authorized by section 79-856, (c) the amount of any transfers from the
26 general fund to any bond fund and transfers from other funds into the
27 general fund, (d) any legal expenses in excess of fifteen-hundredths of
28 one percent of the formula need for the school fiscal year in which the
29 expenses occurred, (e)(i) for state aid calculated for school fiscal
30 years prior to school fiscal year 2018-19, expenditures to pay for sums
31 agreed to be paid by a school district to certificated employees in

1 exchange for a voluntary termination occurring prior to July 1, 2009,
2 occurring on or after the last day of the 2010-11 school year and prior
3 to the first day of the 2013-14 school year, or, to the extent that a
4 district has demonstrated to the State Board of Education pursuant to
5 section 79-1028.01 that the agreement will result in a net savings in
6 salary and benefit costs to the school district over a five-year period,
7 occurring on or after the first day of the 2013-14 school year or (ii)
8 for state aid calculated for school fiscal year 2018-19 and each school
9 fiscal year thereafter, expenditures to pay for incentives agreed to be
10 paid by a school district to certificated employees in exchange for a
11 voluntary termination of employment for which the State Board of
12 Education approved an exclusion pursuant to subdivision (1)(h), (i), (j),
13 or (k) of section 79-1028.01, (f)(i) expenditures to pay for employer
14 contributions pursuant to subsection (2) of section 79-958 to the School
15 Employees Retirement System of the State of Nebraska to the extent that
16 such expenditures exceed the employer contributions under such subsection
17 that would have been made at a contribution rate of seven and thirty-five
18 hundredths percent or (ii) expenditures to pay for school district
19 contributions pursuant to subdivision (1)(c)(i) or (1)(d)(i) of section
20 79-9,113 to the retirement system established pursuant to the Class V
21 School Employees Retirement Act to the extent that such expenditures
22 exceed the school district contributions under such subdivision that
23 would have been made at a contribution rate of seven and thirty-seven
24 hundredths percent, and (g) any amounts paid by the district for lobbyist
25 fees and expenses reported to the Clerk of the Legislature pursuant to
26 section 49-1483.

27 For purposes of this subdivision (23) of this section, receipts from
28 levy override elections shall equal ninety-nine percent of the difference
29 of the total general fund levy minus a levy of one dollar and five cents
30 per one hundred dollars of taxable valuation multiplied by the assessed
31 valuation for school districts that have voted pursuant to section

1 77-3444 to override the maximum levy provided pursuant to section
2 77-3442;

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

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

9 (26) Limited English proficiency students means the number of
10 students with limited English proficiency in a district from the most
11 recent data available on November 1 of the school fiscal year preceding
12 the school fiscal year in which aid is to be paid plus the difference of
13 such students with limited English proficiency minus the average number
14 of limited English proficiency students for such district, prior to such
15 addition, for the three immediately preceding school fiscal years if such
16 difference is greater than zero;

17 (27) Local system means a unified system or a school district;

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

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

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

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

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

31 (32) Qualified early childhood education average daily membership

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

14 (33) Qualified early childhood education fall membership means the
15 product of membership on October 1 of each school year of students who
16 will be eligible to attend kindergarten the following school year and are
17 enrolled in an early childhood education program approved by the
18 department pursuant to section 79-1103 for such school district for such
19 school year multiplied by the ratio of the planned instructional hours of
20 the program divided by one thousand thirty-two if: (a) The program is
21 receiving a grant pursuant to such section for the third year; (b) the
22 program has already received grants pursuant to such section for three
23 years; or (c) the program has been approved pursuant to subsection (5) of
24 section 79-1103 for such school year and the two preceding school years,
25 including any such students in portions of any of such programs receiving
26 an expansion grant;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (46) ~~(47)~~ Tuition receipts from converted contracts means tuition
26 receipts received by a district from another district in the most
27 recently available complete data year pursuant to a converted contract
28 prior to the expiration of the contract;

29 (47) ~~(48)~~ Tuitioned students means students in kindergarten through
30 grade twelve of the district whose tuition is paid by the district to
31 some other district or education agency;

1 ~~(48) (49)~~ Unadjusted poverty students means, ~~for school fiscal year~~
2 ~~2016-17 and each school fiscal year thereafter,~~ the greater of the number
3 of low-income students or the free lunch and free milk calculated
4 students in a district; and

5 ~~(49) (50)~~ Very sparse local system means a local system that has:

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

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

17 Sec. 23. Section 79-1007.11, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 79-1007.11 ~~(1) Except as otherwise provided in this section, for~~
20 ~~school fiscal years 2013-14 through 2015-16, each school district's~~
21 ~~formula need shall equal the difference of the sum of the school~~
22 ~~district's basic funding, poverty allowance, limited English proficiency~~
23 ~~allowance, focus school and program allowance, summer school allowance,~~
24 ~~special receipts allowance, transportation allowance, elementary site~~
25 ~~allowance, instructional time allowance, teacher education allowance,~~
26 ~~distance education and telecommunications allowance, averaging~~
27 ~~adjustment, new learning community transportation adjustment, student~~
28 ~~growth adjustment, any positive student growth adjustment correction, and~~
29 ~~new school adjustment, minus the sum of the limited English proficiency~~
30 ~~allowance correction, poverty allowance correction, and any negative~~
31 ~~student growth adjustment correction.~~

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

13 (1) ~~(3)~~ Except as otherwise provided in this section, for school
14 fiscal years 2017-18 and 2018-19, each school district's formula need
15 shall equal the difference of the sum of the school district's basic
16 funding, poverty allowance, poverty allowance adjustment, limited English
17 proficiency allowance, focus school and program allowance, summer school
18 allowance, special receipts allowance, transportation allowance,
19 elementary site allowance, distance education and telecommunications
20 allowance, averaging adjustment, new community achievement plan
21 adjustment, student growth adjustment, any positive student growth
22 adjustment correction, and new school adjustment minus the sum of the
23 limited English proficiency allowance correction, poverty allowance
24 correction, and any negative student growth adjustment correction.

25 (2) ~~(4)~~ Except as otherwise provided in this section, for school
26 fiscal year 2019-20 and each school fiscal year thereafter, each school
27 district's formula need shall equal the difference of the sum of the
28 school district's basic funding, poverty allowance, limited English
29 proficiency allowance, focus school and program allowance, summer school
30 allowance, special receipts allowance, transportation allowance,
31 elementary site allowance, distance education and telecommunications

1 allowance, community achievement plan allowance, averaging adjustment,
2 new community achievement plan adjustment, student growth adjustment, any
3 positive student growth adjustment correction, and new school adjustment
4 minus the sum of the limited English proficiency allowance correction,
5 poverty allowance correction, and any negative student growth adjustment
6 correction.

7 (3) ~~(5)~~ If the formula need calculated for a school district
8 pursuant to subsections (1) and (2) ~~through (4)~~ of this section is less
9 than one hundred percent of the formula need for such district for the
10 school fiscal year immediately preceding the school fiscal year for which
11 aid is being calculated, the formula need for such district shall equal
12 one hundred percent of the formula need for such district for the school
13 fiscal year immediately preceding the school fiscal year for which aid is
14 being calculated.

15 (4) ~~(6)~~ If the formula need calculated for a school district
16 pursuant to subsections (1) and (2) ~~through (4)~~ of this section is more
17 than one hundred twelve percent of the formula need for such district for
18 the school fiscal year immediately preceding the school fiscal year for
19 which aid is being calculated, the formula need for such district shall
20 equal one hundred twelve percent of the formula need for such district
21 for the school fiscal year immediately preceding the school fiscal year
22 for which aid is being calculated, except that the formula need shall not
23 be reduced pursuant to this subsection for any district receiving a
24 student growth adjustment for the school fiscal year for which aid is
25 being calculated.

26 (5) ~~(7)~~ For purposes of subsections (3) and (4) ~~(5) and (6)~~ of this
27 section, the formula need for the school fiscal year immediately
28 preceding the school fiscal year for which aid is being calculated shall
29 be the formula need used in the final calculation of aid pursuant to
30 section 79-1065 and for districts that were affected by a reorganization
31 with an effective date in the calendar year preceding the calendar year

1 in which aid is certified for the school fiscal year for which aid is
2 being calculated, the formula need for the school fiscal year immediately
3 preceding the school fiscal year for which aid is being calculated shall
4 be attributed to the affected school districts based on information
5 provided to the department by the school districts or proportionally
6 based on the adjusted valuation transferred if sufficient information has
7 not been provided to the department.

8 Sec. 24. Section 79-1035, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 79-1035 (1) ~~(1)(a)~~ The State Treasurer shall, each year on or
11 before the third Monday in January, make a complete exhibit of all money
12 belonging to the permanent school fund and the temporary school fund as
13 returned to him or her from the several counties, together with the
14 amount derived from other sources, and deliver such exhibit duly
15 certified to the Commissioner of Education.

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

26 (2) On or before February 25 following receipt of the exhibit from
27 the State Treasurer pursuant to subsection (1) of this section, the
28 Commissioner of Education shall make the apportionment of the temporary
29 school fund to each school district as follows: From the whole amount,
30 ~~less the amount of income from solar and wind agreements on school lands,~~
31 there shall be paid to those districts in which there are school or

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

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

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

17 Sec. 25. Section 79-1065.02, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 79-1065.02 (1) State aid payments pursuant to the Tax Equity and
20 Educational Opportunities Support Act and payments of core services and
21 technology infrastructure funds pursuant to section 79-1241.03 shall be
22 adjusted when property within the boundaries of a school district or
23 educational service unit is transferred to another school district or
24 educational service unit ~~due to a change in school district boundaries~~ in
25 response to annexation of the transferred property by a city or village.

26 (2)(a) For a school district to ~~(2) To~~ qualify for additional state
27 aid pursuant to this section, the school district from which property is
28 being transferred shall apply on a form prescribed by the State
29 Department of Education on or before August 20 preceding the first school
30 fiscal year for which the property will not be available for taxation for
31 the school district's general fund levy. ~~On or before such deadline, the~~

1 ~~applicant school district shall send copies of the application to the~~
2 ~~high school districts of the local systems receiving valuation in the~~
3 ~~transfer. For purposes of this section, property is deemed transferred~~
4 ~~from the school district whether the property was within the boundaries~~
5 ~~of the school district or the property was affiliated with the school~~
6 ~~district.~~

7 (b) For an educational service unit to qualify for additional core
8 services and technology infrastructure funds pursuant to this section,
9 the educational service unit from which property is being transferred
10 shall apply on a form prescribed by the State Department of Education on
11 or before August 20 preceding the first school fiscal year for which the
12 property will not be available for taxation for the educational service
13 unit's general fund levy.

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

1 school fiscal year. If a portion of the total reduction calculated
2 pursuant to subsection (4) of this section for local systems receiving
3 valuation in the transfer of property that is the subject of the
4 application is delayed until future years, the additional state aid to be
5 paid in the school fiscal year described in subsection (2) of this
6 section shall be reduced by the amount of the total reduction that is
7 delayed until future years. The amount of the reduction shall be paid as
8 additional aid in the next school fiscal year.

9 (b) Upon receipt of an application from an educational service unit,
10 the department, with the assistance of the Property Tax Administrator,
11 shall calculate the amount of additional core services and technology
12 infrastructure funds, if any, that such educational service unit would
13 have received for such school fiscal year if the adjusted valuation for
14 the transferred property had not been included in the adjusted valuation
15 of such educational service unit for the calculation of core services and
16 technology infrastructure funds for such school fiscal year. On or before
17 September 20 of such school fiscal year, the department shall certify to
18 the applicant educational service unit the amount of additional core
19 services and technology infrastructure funds, if any, such educational
20 service unit will receive. Except as otherwise provided in this
21 subsection, payments of core services and technology infrastructure funds
22 shall be increased by one-tenth of the amount of any additional core
23 services and technology infrastructure funds for each of the ten payments
24 of core services and technology infrastructure funds for such school
25 fiscal year. If a portion of the total reduction calculated pursuant to
26 subsection (4) of this section for an educational service unit receiving
27 valuation in the transfer of property that is the subject of the
28 application is delayed until future years, the additional state aid or
29 core services and technology infrastructure funds to be paid to the
30 applicant educational service unit in the school fiscal year described in
31 subsection (2) of this section shall be reduced by the amount of the

1 total reduction that is delayed until future years. The amount of the
2 reduction shall be paid as additional core services and technology
3 infrastructure funds to such educational service unit in the next school
4 fiscal year.

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

27 (b) Core services and technology infrastructure funds shall be
28 reduced for each receiving educational service unit. An amount equal to
29 the additional core services and technology infrastructure funds
30 calculated pursuant to subsection (3) of this section for the applicant
31 educational service unit shall be attributed to the educational service

1 units receiving valuation in such transfer based upon the ratio of the
2 adjusted valuation received by each educational service unit divided by
3 the total adjusted valuation transferred from the applicant educational
4 service unit. Core services and technology infrastructure funds shall be
5 reduced by one-tenth of the amount attributed to any such receiving
6 educational service unit for each of the ten payments of core services
7 and technology infrastructure funds for such school fiscal year. If the
8 total reduction is greater than the total payments of core services and
9 technology infrastructure funds for any such educational service unit for
10 such school fiscal year, the remainder shall be subtracted from payments
11 of core services and technology infrastructure funds in future school
12 fiscal years until the total reduction has been subtracted from such
13 payments. On or before September 20 of such school fiscal year, the
14 department shall certify to the receiving educational service units the
15 amount of the reduction in core services and technology infrastructure
16 funds.

17 (5) For purposes of the final calculation of state aid for school
18 districts pursuant to section 79-1065, the adjusted valuation of the
19 property that was transferred shall also be transferred for purposes of
20 adjusted valuation for the final calculation of state aid. For
21 determining adjustments in state aid pursuant to section 79-1065, the
22 final calculation of state aid shall be compared to the state aid
23 certified for such school fiscal year combined with any adjustments in
24 state aid payments and transfers from other school districts pursuant to
25 this section.

26 Sec. 26. Section 79-1074, Revised Statutes Supplement, 2019, is
27 amended to read:

28 79-1074 ~~(1)~~—The county clerk of any county in which a part of a
29 ~~joint~~ school district or learning community is located shall, on or
30 before the date prescribed in subsection (1) of section 13-509, certify
31 the taxable valuation of all taxable property of such part of the school

1 ~~joint~~ district or learning community to the clerk of the headquarters
2 county in which the schoolhouse or the administrative office of the
3 school district or learning community is located.

4 ~~(2) The county clerk of any county in which a part of a joint~~
5 ~~affiliated school system or learning community is located shall, on or~~
6 ~~before the date prescribed in subsection (1) of section 13-509, certify~~
7 ~~the taxable valuation of all taxable property of such part of the joint~~
8 ~~affiliated school system or learning community to the clerk of the~~
9 ~~headquarters county in which the schoolhouse or the administrative office~~
10 ~~of the high school district or learning community is located.~~

11 Sec. 27. Section 79-1075, Revised Statutes Cumulative Supplement,
12 2018, is amended to read:

13 79-1075 ~~(1)~~The county board of the county in which is located the
14 schoolhouse or the administrative office of any ~~joint~~ school district ~~or,~~
15 ~~for years prior to 2017, learning community~~ shall make a levy for the
16 school district ~~or, for years prior to 2017, learning community,~~ as may
17 be necessary, and the county clerk of that headquarters county shall
18 certify the levy, on or before the date prescribed in section 77-1601, to
19 the county clerk of each county in which is situated any portion of the
20 ~~joint~~ school district ~~or learning community~~. This section shall apply to
21 all taxes levied on behalf of school districts, including, but not
22 limited to, taxes authorized by sections 10-304, 10-711, 77-1601, 79-747,
23 79-1084, 79-1085, 79-1086, 79-10,100, 79-10,110, 79-10,110.02, 79-10,118,
24 79-10,120, and 79-10,126.

25 ~~(2) The county board of the county in which is located the~~
26 ~~schoolhouse or the administrative office of the high school district of a~~
27 ~~joint affiliated school system shall make a levy for the joint affiliated~~
28 ~~school system, as may be necessary, and the county clerk of that~~
29 ~~headquarters county shall certify the levy, on or before the date~~
30 ~~prescribed in section 77-1601, to the county clerk of each county in~~
31 ~~which is situated any portion of the joint affiliated school system. This~~

1 ~~section shall apply to all taxes levied on behalf of affiliated school~~
2 ~~systems, including, but not limited to, taxes authorized by sections~~
3 ~~79-10,110 and 79-10,110.02.~~

4 Sec. 28. Section 79-10,119, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 79-10,119 A ~~Class III, IV, or V~~ school district may purchase,
7 acquire, own, manage, and hold title to real estate for future school
8 sites which at the time of such purchasing or acquiring is outside such
9 school district in a territory not more than three miles beyond the
10 limits of such district but contiguous thereto. Such district shall not
11 erect school buildings on the real estate prior to the inclusion of such
12 real estate within the boundaries of such a school district. If the real
13 estate so acquired adjoins the purchaser's district, the acquisition of
14 the real estate constitutes an annexation of such real estate to the
15 purchaser's district. The intervention of a street, road, or highway
16 between the real estate to be acquired and the purchaser's district does
17 not preclude such real estate from being considered as adjoining the
18 purchaser's district.

19 Sec. 29. Section 79-1103, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 79-1103 (1)(a) The State Department of Education shall establish and
22 administer the Early Childhood Education Grant Program. Upon the
23 effective date of an endowment agreement, administration of the Early
24 Childhood Education Grant Program with respect to programs for children
25 from birth to age three shall transfer to the board of trustees. If there
26 is no endowment agreement in effect, the department shall request
27 proposals in accordance with this section for all early childhood
28 education programs from school districts, individually or in cooperation
29 with other school districts or educational service units, working in
30 cooperation with existing nonpublic programs which meet the requirements
31 of subsection (2) of section 79-1104. If there is an endowment agreement

1 in effect, the board of trustees shall administer the Early Childhood
2 Education Grant Program with respect to programs for children from birth
3 to age three pursuant to section 79-1104.02 and the department shall
4 continue to administer the Early Childhood Education Grant Program with
5 respect to other prekindergarten programs pursuant to sections 79-1101 to
6 79-1104.05. All administrative procedures of the board of trustees,
7 including, but not limited to, rules, grant applications, and funding
8 mechanisms, shall harmonize with those established by the department for
9 other prekindergarten programs.

10 (b) The first priority shall be for (i) continuation grants for
11 programs that received grants in the prior school fiscal year and for
12 which the state aid calculation pursuant to the Tax Equity and
13 Educational Opportunities Support Act does not include early childhood
14 education students, in an amount equal to the amount of such grant,
15 except that if the grant was a first-year grant the amount shall be
16 reduced by thirty-three percent, (ii) continuation grants for programs
17 for which the state aid calculation pursuant to the act includes early
18 childhood education students, in an amount equal to the amount of the
19 grant for the school fiscal year prior to the first school fiscal year
20 for which early childhood education students were included in the state
21 aid calculation for the school district's local system minus the
22 calculated state aid amount, and (iii) for school fiscal year 2007-08,
23 continuation grants for programs for which the state aid calculation
24 pursuant to the act includes early childhood education students, but such
25 state aid calculation does not result in the school district receiving
26 any equalization aid, in an amount equal to the amount of the grant
27 received in school fiscal year 2006-07. The calculated state aid amount
28 shall be calculated by multiplying the basic funding per formula student
29 for the school district by the formula students attributed to the early
30 childhood education programs pursuant to the Tax Equity and Educational
31 Opportunities Support Act.

1 (c) The second priority shall be for new grants and expansion grants
2 for programs that will serve at-risk children who will be eligible to
3 attend kindergarten the following school year. New grants may be given
4 for up to three years in an amount up to one-half of the total budget of
5 the program per year. Expansion grants may be given for one year in an
6 amount up to one-half of the budget for expanding the capacity of the
7 program to serve additional children.

8 (d) The third priority shall be for new grants, expansion grants,
9 and continuation grants for programs serving children younger than those
10 who will be eligible to attend kindergarten the following school year.
11 New grants may be given for up to three years in an amount up to one-half
12 the total budget of the program per year. Expansion grants may be given
13 for one year in an amount up to one-half the budget for expanding the
14 capacity of the program to serve additional children. Continuation grants
15 under this priority may be given annually in an amount up to one-half the
16 total budget of the program per year minus any continuation grants
17 received under the first priority.

18 (e) Programs serving children who will be eligible to attend
19 kindergarten the following school year shall be accounted for separately
20 for grant purposes from programs serving younger children, but the two
21 types of programs may be combined within the same classroom to serve
22 multi-age children. Programs that receive grants for school fiscal years
23 prior to school fiscal year 2005-06 to serve both children who will be
24 eligible to attend kindergarten the following school year and younger
25 children shall account for the two types of programs separately for grant
26 purposes beginning with school year 2005-06 and shall be deemed to have
27 received grants prior to school fiscal year 2005-06 for each year that
28 grants were received for the types of programs representing the age
29 groups of the children served.

30 (2) Each program proposal which is approved by the department shall
31 include (a) a planning period, (b) an agreement to participate in

1 periodic evaluations of the program to be specified by the department,
2 (c) evidence that the program will be coordinated or contracted with
3 existing programs, including those listed in subdivision (d) of this
4 subsection and nonpublic programs which meet the requirements of
5 subsection (2) of section 79-1104, (d) a plan to coordinate and use a
6 combination of local, state, and federal funding sources, including, but
7 not limited to, programs for children with disabilities below five years
8 of age funded through the Special Education Act, the Early Intervention
9 Act, funds available through the flexible funding provisions under the
10 Special Education Act, the federal Head Start program, 42 U.S.C. 9831 et
11 seq., the federal Even Start Family Literacy Program, 20 U.S.C. 6361 et
12 seq., Title I of the federal Improving America's Schools Act of 1994, 20
13 U.S.C. 6301 et seq., and child care assistance through the Department of
14 Health and Human Services, (e) a plan to use sliding fee scales and the
15 funding sources included in subdivision (d) of this subsection to
16 maximize the participation of economically and categorically diverse
17 groups and to ensure that participating children and families have access
18 to comprehensive services, (f) the establishment of an advisory body
19 which includes families and community members, (g) the utilization of
20 appropriately qualified staff, (h) an appropriate child-to-staff ratio,
21 (i) appropriate group size, (j) compliance with minimum health and safety
22 standards, (k) appropriate facility size and equipment, (l) a strong
23 family development and support component recognizing the central role of
24 parents in their children's development, (m) developmentally and
25 culturally appropriate curriculum, practices, and assessment, (n)
26 sensitivity to the economic and logistical needs and circumstances of
27 families in the provision of services, (o) integration of children of
28 diverse social and economic characteristics, (p) a sound evaluation
29 component, including at least one objective measure of child performance
30 and progress, (q) continuity with programs in kindergarten and elementary
31 grades, (r) instructional hours that are similar to or less than the

1 instructional hours for kindergarten except that a summer session may be
2 offered, (s) well-defined language development and early literacy
3 emphasis, including the involvement of parents in family literacy
4 activities, (t) a plan for ongoing professional development of staff, and
5 (u) inclusion of children with disabilities as defined in the Special
6 Education Act, all as specified by rules and regulations of the
7 department in accordance with sound early childhood educational practice.

8 (3) The department shall make an effort to fund programs widely
9 distributed across the state in both rural and urban areas.

10 (4) The department, in collaboration with the board of trustees if
11 an endowment agreement is in effect, shall provide a report evaluating
12 the programs to the State Board of Education and the Legislature by
13 January 1 of each odd-numbered year. The report submitted to the
14 Legislature shall be submitted electronically. ~~The Education Committee of~~
15 ~~the Legislature shall hold a public hearing regarding the report.~~ Up to
16 five percent of the total appropriation for the Early Childhood Education
17 Grant Program for grants administered by the department may be reserved
18 by the department for evaluation and technical assistance for the
19 programs.

20 (5) Early childhood education programs, whether established pursuant
21 to this section or section 79-1104, may be approved for purposes of the
22 Tax Equity and Educational Opportunities Support Act, expansion grants,
23 and continuation grants on the submission of a continuation plan
24 demonstrating that the program will meet the requirements of subsection
25 (2) of this section and a proposed operating budget demonstrating that
26 the program will receive resources from other sources equal to or greater
27 than the sum of any grant received pursuant to this section for the prior
28 school year plus any calculated state aid as calculated pursuant to
29 subsection (1) of this section for the prior school year.

30 (6) The State Board of Education may adopt and promulgate rules and
31 regulations to implement the Early Childhood Education Grant Program,

1 except that if there is an endowment agreement in effect, the board of
2 trustees shall recommend any rules and regulations relating specifically
3 to the Early Childhood Education Grant Program with respect to programs
4 for children from birth to age three. It is the intent of the Legislature
5 that the rules and regulations for programs for children from birth to
6 age three be consistent to the greatest extent possible with those
7 established for other prekindergarten programs.

8 Sec. 30. Section 79-1241.03, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 79-1241.03 (1) Two percent of the appropriation funds ~~appropriated~~
11 for core services and technology infrastructure funds shall be
12 transferred to the Educational Service Unit Coordinating Council. The
13 remainder of such funds shall be distributed pursuant to subsections (2)
14 through (5) of this section.

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

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

31 (c) The satellite office allocation for each educational service

1 unit shall equal one percent of the funds appropriated for distribution
2 pursuant to this section for each office of the educational service unit,
3 except the educational service unit headquarters, up to the maximum
4 number of satellite offices. The maximum number of satellite offices used
5 for the calculation of the satellite office allocation for any
6 educational service unit shall equal the difference of the ratio of the
7 number of square miles within the boundaries of the educational service
8 unit divided by four thousand minus one with the result rounded to the
9 closest whole number.

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

16 (e) The adjusted valuation for each educational service unit shall
17 equal the total adjusted valuation of the member school districts
18 pursuant to section 79-1016 used for the calculation of state aid for
19 school districts pursuant to the act for the school fiscal year for which
20 the distribution is being calculated pursuant to this section, except
21 that such adjusted valuation for member school districts that are also
22 member districts of a learning community shall be reduced by ten percent.
23 The adjusted valuation for each learning community shall equal ten
24 percent of the total adjusted valuation of the member school districts
25 pursuant to section 79-1016 used for the calculation of state aid for
26 school districts pursuant to the act for the school fiscal year for which
27 the distribution is being calculated pursuant to this section.

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

30 (g) The statewide student allocation shall equal the difference of
31 the sum of the amount appropriated for distribution pursuant to this

1 section plus the product of the statewide adjusted valuation multiplied
2 by the local effort rate minus the distance education and
3 telecommunications allowance, base allocation, and satellite office
4 allocation for all educational service units and minus any adjustments
5 required by subsection (4) of this section.

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

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

31 (j) The per student allocation shall equal the statewide student

1 allocation divided by the total adjusted students for all educational
2 service units and learning communities.

3 (k) The student allocation for each educational service unit and
4 learning community shall equal the per student allocation multiplied by
5 the adjusted students for the educational service unit or learning
6 community.

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

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

17 (3) If an educational service unit is the result of a merger or
18 received new member school districts from another educational service
19 unit, the educational service unit shall be considered a new educational
20 service unit for purposes of this section. For each new educational
21 service unit, the needs minus the distance education and
22 telecommunications allowance for such new educational service unit shall,
23 for each of the three fiscal years following the fiscal year in which the
24 merger takes place or the new member school districts are received, equal
25 an amount not less than the needs minus the distance education and
26 telecommunications allowance for the portions of the educational service
27 units transferred to the new educational service unit for the fiscal year
28 immediately preceding the merger or receipt of new member school
29 districts, except that if the total amount available to be distributed
30 pursuant to subsections (2) through (5) of this section for the year for
31 which needs are being calculated is less than the total amount

1 distributed pursuant to such subsections for the fiscal year immediately
2 preceding the merger or receipt of new member school districts, the
3 minimum needs minus the distance education and telecommunications
4 allowance for each educational service unit pursuant to this subsection
5 shall be reduced by a percentage equal to the ratio of such difference
6 divided by the total amount distributed pursuant to subsections (2)
7 through (5) of this section for the fiscal year immediately preceding the
8 merger or receipt of new member school districts. The needs minus the
9 distance education and telecommunications allowance for the portions of
10 educational service units transferred to the new educational service unit
11 for the fiscal year immediately preceding a merger or receipt of new
12 member school districts shall equal the needs minus the distance
13 education and telecommunications allowance calculated for such fiscal
14 year pursuant to subsections (2) through (5) of this section for any
15 educational service unit affected by the merger or the transfer of school
16 districts multiplied by a ratio equal to the valuation that was
17 transferred to the new educational service unit for which the minimum is
18 being calculated divided by the total valuation of the educational
19 service unit transferring the territory.

20 (4) If the minimum needs minus the distance education and
21 telecommunications allowance pursuant to subsection (3) of this section
22 for any educational service unit exceeds the amount that would otherwise
23 be calculated for such educational service unit pursuant to subsection
24 (2) of this section, the statewide student allocation shall be reduced
25 such that the total amount to be distributed pursuant to this section
26 equals the appropriation for core services and technology infrastructure
27 funds and no educational service unit has needs minus the distance
28 education and telecommunications allowance less than the greater of any
29 minimum amounts calculated for such educational service unit pursuant to
30 subsection (3) of this section.

31 (5) The State Department of Education shall certify the distribution

1 of core services and technology infrastructure funds pursuant to
2 subsections (2) through (5) of this section to each educational service
3 unit and learning community on or before July 1 of each year for the
4 following school fiscal year. Except as otherwise provided in this
5 subsection, any funds appropriated for distribution pursuant to this
6 section shall be distributed in ten as nearly as possible equal payments
7 on the last ~~first~~ business day of each month beginning in September of
8 each school fiscal year and ending in June. Payments ~~Funds distributed~~ to
9 educational service units pursuant to this section shall be used for core
10 services and technology infrastructure with the approval of
11 representatives of two-thirds of the member school districts of the
12 educational service unit, representing a majority of the adjusted
13 students in the member school districts used in calculations pursuant to
14 this section for such funds. The valuation of individual school districts
15 shall not be considered in the utilization of such core services and ~~or~~
16 technology infrastructure funds by member school districts for funds
17 received after July 1, 2010. Funds distributed to learning communities
18 shall be used for evaluation and research pursuant to section 79-2104.02
19 with the approval of the learning community coordinating council.

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

24 (7) It is the intent of the Legislature that:

25 (a) Funding for core services and technology infrastructure for each
26 educational service unit consist of both amounts received pursuant to
27 this section and an amount greater than or equal to the product of the
28 adjusted valuation for the educational service unit multiplied by the
29 local effort rate; and

30 (b) Each multidistrict educational service unit use an amount equal
31 to at least five percent of such funding for core services and technology

1 infrastructure for cooperative projects between member school districts
2 and that each such educational service unit use an amount equal to at
3 least five percent of such funding for core services and technology
4 infrastructure for statewide projects managed by the Educational Service
5 Unit Coordinating Council.

6 Sec. 31. Section 79-1504, Revised Statutes Cumulative Supplement,
7 2018, is amended to read:

8 79-1504 The provisions of Article III, SECTION A., of the Compact
9 for Education notwithstanding, the members of the Education Commission of
10 the States representing this state shall consist of the Governor, the
11 chairperson of the Education Committee of the Legislature, two three
12 members of the Legislature selected by the Executive Board of the
13 Legislative Council, the Commissioner of Education, the executive
14 director of the Coordinating Commission for Postsecondary Education, and
15 one member and three members appointed by the Governor who . ~~Of the three~~
16 ~~members appointed by the Governor, one member~~ shall be an elected a
17 member of a school board or an employee or board member appointed
18 ~~representative~~ of a state association of school boards.

19 Sec. 32. Section 79-1605, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 79-1605 The superintendent of the ~~high~~ school district ~~and its~~
22 ~~affiliated territory~~ in which any private, denominational, or parochial
23 school is located, which school is not otherwise inspected by an area or
24 diocesan representative holding a Nebraska certificate to administer,
25 shall inspect such schools and report to the proper officers any evidence
26 of failure to observe any of the provisions of sections 79-1601 to
27 79-1607. The Commissioner of Education, when in his or her judgment it is
28 deemed advisable, may appoint a public school official other than such
29 superintendent, including a member of the State Department of Education,
30 for such inspections. Such appointee shall hold a Nebraska certificate to
31 administer. The State Board of Education shall require the

1 superintendents and appointed public school officials to make such
2 inspections at least twice a year, and the school officers of such
3 schools and the teachers giving instruction in such schools shall permit
4 such inspection and assist and cooperate in the making of the same.

5 Sec. 33. Section 79-2104.02, Revised Statutes Cumulative Supplement,
6 2018, is amended to read:

7 79-2104.02 Each learning community coordinating council shall use
8 any funds received pursuant to section 79-1241.03 for evaluation of
9 programs related to the community achievement plan developed with the
10 assistance of the student achievement coordinator or other department
11 staff designated by the Commissioner of Education and evaluation and
12 research regarding the progress of the learning community pursuant to
13 plans developed by the learning community coordinating council with
14 assistance from the Educational Service Unit Coordinating Council and
15 adjusted on an ongoing basis. The evaluation regarding the progress of
16 the learning community shall be conducted by one or more other entities
17 or individuals who are not employees of the learning community and shall
18 measure progress toward the goals and objectives of the learning
19 community, which goals and objectives shall include reduction of
20 excessive absenteeism of students in the member school districts of the
21 learning community and closing academic achievement gaps based on
22 socioeconomic status, and the effectiveness of the approaches used by the
23 learning community or pilot project to reach such goals and objectives.
24 Any research conducted pursuant to this section shall also be related to
25 such goals and objectives or programs related to the community
26 achievement plan. Each learning community shall report evaluation and
27 research results electronically to the Education Committee of the
28 Legislature on or before ~~February~~ January 1 of each year.

29 Sec. 34. Section 79-2118, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 79-2118 (1) Each learning community, together with its member school

1 districts, shall develop a diversity plan to provide educational
2 opportunities pursuant to sections 79-769 and 79-2110 in each subcouncil
3 district designed to attract students from diverse backgrounds, which
4 plan may be revised from time to time. The initial diversity plan shall
5 be completed by December 31 of the year the initial learning community
6 coordinating council for the learning community takes office. The goal of
7 the diversity plan shall be to annually increase the socioeconomic
8 diversity of enrollment at each grade level in each school building
9 within the learning community ~~until such enrollment reflects the average~~
10 ~~socioeconomic diversity of the entire enrollment of the learning~~
11 ~~community.~~

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

17 (3) The learning community coordinating council shall report
18 electronically to the Education Committee of the Legislature on or before
19 ~~February~~ January 1 of each odd-numbered year on the diversity and changes
20 in diversity at each grade level in each school building within the
21 learning community and on the academic achievement for different
22 demographic groups in each school building within the learning community.

23 Sec. 35. Section 79-2603, Revised Statutes Cumulative Supplement,
24 2018, is amended to read:

25 79-2603 (1) For school year 2019-20 and each school year thereafter,
26 each school district shall administer an approved reading assessment
27 three times during the school year to all students in kindergarten
28 through grade three, except for any student receiving specialized
29 instruction for limited English proficiency who has been receiving such
30 instruction for less than two years, any student receiving special
31 education services for whom such assessment would conflict with the

1 individualized education plan, and any student receiving services under a
2 plan pursuant to the requirements of section 504 of the federal
3 Rehabilitation Act of 1973, 29 U.S.C. 794, or Title II of the federal
4 Americans with Disabilities Act of 1990, 42 U.S.C. 12131 to 12165, as
5 such acts and sections existed on January 1, 2018, for whom such
6 assessment would conflict with such section 504 or Title II plan. The
7 first administration of such assessment ~~for each such school year~~ shall
8 occur within the first thirty days that school is in session of each the
9 school year.

10 (2) For purposes of the Nebraska Reading Improvement Act, an
11 approved reading assessment means a test ~~an assessment~~ of student reading
12 skills approved by the State Department of Education which:

13 (a) Measures progress toward proficiency in the reading skills
14 assessed pursuant to subsection (5) of section 79-760.03 on the statewide
15 assessment of reading for grade three;

16 (b) Is valid and reliable;

17 (c) Is aligned with academic content standards for reading adopted
18 by either the State Board of Education pursuant to section 79-760.01 or
19 the school district administering such assessment pursuant to section
20 79-760.02;

21 (d) Allows teachers access to results in a reasonable time period as
22 established by the department, not to exceed fifteen contract working
23 days for such teachers; and

24 (e) Is commercially available and complies with requirements
25 established by the department.

26 (3) On or before March 1, 2019, and on or before each March 1
27 thereafter, the department shall make public the list of approved reading
28 assessments for the subsequent school year and the threshold level of
29 performance for each such assessment. A student performing below the
30 threshold level shall be identified as having a reading deficiency for
31 purposes of the Nebraska Reading Improvement Act.

1 (4) Diagnostic assessments used within a supplemental reading
2 intervention program do not require department approval.

3 Sec. 36. Section 79-2604, Revised Statutes Cumulative Supplement,
4 2018, is amended to read:

5 79-2604 (1) Any student in kindergarten, grade one, grade two, or
6 grade three shall be identified as having a reading deficiency if such
7 student performs below the threshold level determined pursuant to section
8 79-2603. Students in kindergarten through grade three on an approved
9 reading assessment. ~~A student who is~~ identified as having a reading
10 deficiency pursuant to this subsection shall remain identified as having
11 a reading deficiency until the student performs at or above the threshold
12 level on an approved reading assessment.

13 (2) Nothing in the Nebraska Reading Improvement Act shall prohibit a
14 school district from identifying any other student as having a reading
15 deficiency.

16 Sec. 37. Section 79-2605, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

18 79-2605 (1) Each school district shall provide a supplemental
19 reading intervention program for the purpose of ensuring that students
20 can read at or above grade level at the end of third grade. School
21 districts may work collaboratively with a reading specialist at the State
22 Department of Education, with educational service units, with learning
23 communities, or through interlocal agreements to develop and provide such
24 supplemental reading intervention programs. Each supplemental reading
25 intervention program shall be:

26 (a) Provided ~~Be provided~~ to any student identified as having a
27 reading deficiency;

28 (b) Implemented ~~Be implemented~~ during regular school hours in
29 addition to regularly scheduled reading instruction unless otherwise
30 agreed to by a parent or guardian; and

31 (c) Made ~~Make~~ available as a summer reading program between each

1 ~~school year summer~~ for any student who has been enrolled in grade one,
2 ~~grade two, or grade three or higher~~ and is identified as continuing to
3 have a reading deficiency at the conclusion of the school year preceding
4 such summer reading program. Such summer reading program may be (i) held
5 in conjunction with existing summer programs in the school district, (ii)
6 held ~~or~~ in a community reading program not affiliated with the school
7 district, ~~or (iii) may be offered online.~~

8 (2) The supplemental reading intervention program may also include:

9 (a) ~~Reading intervention techniques that are based on scientific~~
10 ~~research and best practices that are evidence-based;~~

11 (b) Diagnostic assessments to identify specific skill-based
12 strengths and weaknesses a student may have frequently monitor student
13 progress throughout the school year and adjust instruction accordingly;

14 (c) Prescribed explicit, systematic, and targeted individual or
15 small group intervention based on student needs as determined by
16 diagnostic assessment data. Prescribed intervention instruction may
17 include, but is not limited to, the development of phonemic awareness,
18 phonics, reading fluency, vocabulary, and reading comprehension;

19 (c) ~~Intensive intervention using strategies selected from the~~
20 ~~following list to match the weaknesses identified in the diagnostic~~
21 ~~assessment:~~

22 (i) ~~Development in phonemic awareness, phonics, fluency, vocabulary,~~
23 ~~and reading comprehension;~~

24 (ii) ~~Explicit and systematic instruction with detailed explanations,~~
25 ~~extensive opportunities for guided practice, and opportunities for error~~
26 ~~corrections and feedback; or~~

27 (iii) ~~Daily targeted individual or small-group reading intervention~~
28 ~~based on student needs as determined by diagnostic assessment data~~
29 ~~subject to planned extracurricular school activities;~~

30 (d) Strategies and resources to assist with reading skills at home,
31 including parent-training workshops and suggestions for parent-guided

1 home reading; or

2 (e) Access to before-school or after-school supplemental reading
3 intervention with a teacher or tutor who has specialized training in
4 reading intervention.

5 Sec. 38. Section 79-2606, Revised Statutes Cumulative Supplement,
6 2018, is amended to read:

7 79-2606 (1) The school of any student who is identified as having a
8 reading deficiency shall notify such student's parents or guardians
9 either in writing or by electronic communication no later than fifteen
10 working days after the identification of the reading deficiency that the
11 student has been identified as having a reading deficiency and that an
12 individualized ~~individual~~ reading improvement plan will be established
13 and shared with the parents or guardians.

14 (2) Any student who is identified as having a reading deficiency
15 shall receive an individualized ~~individual~~ reading improvement plan no
16 later than thirty days after the identification of such reading
17 deficiency. The reading improvement plan may be created by the teacher,
18 the principal, other pertinent school personnel, and the parents or
19 guardians of the student and shall describe the reading intervention
20 services the student will receive ~~through the supplemental reading~~
21 ~~intervention program~~ pursuant to section 79-2605 to remedy such reading
22 deficiency. Each such student shall receive reading intervention services
23 ~~through the supplemental reading intervention program~~ pursuant to section
24 79-2605 until the student is no longer identified as having a reading
25 deficiency.

26 Sec. 39. Section 85-505, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 85-505 Any member of the Nebraska National Guard who enrolls in any
29 state-supported university, college, or community college or any
30 independent, not-for-profit, ~~regionally~~ accredited college or university
31 in this state shall be entitled to a credit of seventy-five percent of

1 the resident tuition charges of such school, except that any member who
2 attends an independent, not-for-profit, ~~regionally~~ accredited college or
3 university in this state shall receive a credit in an amount no higher
4 than that person would receive if he or she attended the University of
5 Nebraska-Lincoln. Such entitlement shall be for a period of ten years
6 from the date of the member's initial membership so long as the member
7 maintains satisfactory performance with the guard and pursues his or her
8 course of study in such institution in a manner which satisfies the
9 normal requirements of the institution. If a member is unable to complete
10 his or her course of study within the ten-year period due to deployment
11 on federal or state active-duty status for not less than one hundred
12 twenty days, the Adjutant General may extend the entitlement period for
13 such member for a period equal to the period of such person's active-duty
14 status, not to exceed a maximum of five years. During the extended
15 entitlement period, the member shall be subject to all remaining
16 conditions and limitations of the tuition assistance program prescribed
17 in sections 85-505 to 85-508. The number of individuals granted tuition
18 credit shall not exceed the number specified in section 85-505.01 during
19 any fiscal year, and the amount of tuition credits granted shall not
20 exceed nine hundred thousand dollars during any fiscal year. When
21 determining to whom such tuition credit shall be awarded, priority shall
22 be given to those individuals who have previously received tuition
23 credits while a National Guard member, and the Nebraska National Guard
24 shall apply those program qualifications and limitations consistent with
25 efficient and effective program management as determined by the Adjutant
26 General.

27 Sec. 40. Section 85-507, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 85-507 The spouse and children of any member of the Nebraska
30 National Guard who dies while serving in the active service of the state
31 shall be entitled to a credit of one hundred percent of the tuition

1 charges in any state-supported university, college, or community college
2 or any independent, not-for-profit, ~~regionally~~ accredited college or
3 university in this state, except that any spouse or child who attends an
4 independent, not-for-profit, ~~regionally~~ accredited college or university
5 in this state shall receive a credit in an amount no higher than that
6 spouse or child would receive if he or she attended the University of
7 Nebraska-Lincoln. Such tuition credit shall be for any undergraduate
8 course of education not exceeding four years, except that no credit shall
9 be granted to the spouse after the tenth anniversary of the member's
10 death and no credit shall be granted to a child after such child's
11 twenty-fifth birthday. All persons eligible for tuition credit under this
12 section shall obtain a certificate of eligibility from the Adjutant
13 General of the Nebraska National Guard and present such certificate to
14 the educational institution.

15 Sec. 41. Section 85-1609, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 85-1609 Accreditation by ~~national or regional~~ accrediting agencies
18 recognized by the United States Department of Education such as the
19 Association of Independent Colleges and Schools, the Accrediting Council
20 for Continuing Education and Training, the National Accrediting
21 Association of Cosmetology Arts and Sciences, or the National Association
22 of Trade and Technical Schools may be accepted by the department as
23 evidence of compliance with the minimum standards established pursuant to
24 sections 85-1606 and 85-1608. Accreditation by a recognized, specialized
25 accrediting agency such as the Council on Medical Education of the
26 American Medical Association, the Commission on Accreditation of the
27 American Dental Association, or the American Veterinary Medical
28 Association may be accepted as evidence of such compliance only as to the
29 portion or program of a school accredited by such agency if the school as
30 a whole is not accredited.

31 Sec. 42. Original sections 38-316, 38-10,109, 38-1813, 38-2613,

1 38-2616, 38-3106, 71-8404, 76-2203.01, 77-2704.12, 77-27,119, 79-422,
2 79-433, 79-449, 79-8,133, 79-10,119, 79-1103, 79-1605, 79-2118, 85-505,
3 85-507, and 85-1609, Reissue Revised Statutes of Nebraska, sections
4 1-116, 38-3901, 58-809, 79-611, 79-8,137.01, 79-1007.11, 79-1035,
5 79-1065.02, 79-1075, 79-1241.03, 79-1504, 79-2104.02, 79-2603, 79-2604,
6 79-2605, and 79-2606, Revised Statutes Cumulative Supplement, 2018, and
7 sections 77-1601.02, 79-807, 79-1003, and 79-1074, Revised Statutes
8 Supplement, 2019, are repealed.

9 Sec. 43. The following sections are outright repealed: Sections
10 79-308 and 79-309.01, Revised Statutes Cumulative Supplement, 2018.