

AMENDMENTS TO LB 235

Introduced by Education

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

3           Section 1. Section 77-3446, Revised Statutes Cumulative  
4 Supplement, 2010, is amended to read:

5           77-3446 Base limitation means the budget limitation rate  
6 applicable to school districts and the limitation on growth of  
7 restricted funds applicable to other political subdivisions prior  
8 to any increases in the rate as a result of special actions  
9 taken by a supermajority of any governing board or of any  
10 exception allowed by law. The base limitation is two and one-half  
11 percent until adjusted, except that the base limitation for school  
12 districts for school fiscal years ~~2009-10, 2011-12, and 2012-13~~  
13 ~~is one and one-half percent and the base limitation for school~~  
14 ~~districts for school fiscal year 2010-11 is twenty-five hundredths~~  
15 ~~of one percent, the base limitation for school districts for~~  
16 ~~school fiscal year 2011-12 is zero percent, and the base limitation~~  
17 ~~for school districts for school fiscal year 2012-13 is one-half~~  
18 ~~of one percent.~~ The base limitation may be adjusted annually by  
19 the Legislature to reflect changes in the prices of services and  
20 products used by school districts and political subdivisions.

21           Sec. 2. Section 79-413, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23           79-413 (1) The State Committee for the Reorganization of

1 School Districts created under section 79-435 may create a new  
2 school district from other districts, change the boundaries of any  
3 district that is not a member of a learning community, or affiliate  
4 a Class I district or portion thereof with one or more existing  
5 Class II, III, IV, or V districts upon receipt of petitions signed  
6 by sixty percent of the legal voters of each district affected.  
7 If the petitions contain signatures of at least sixty-five percent  
8 of the legal voters of each district affected, the state committee  
9 shall approve the petitions. When area is added to a Class VI  
10 district or when a Class I district which is entirely or partially  
11 within a Class VI district is taken from the Class VI district, the  
12 Class VI district shall be deemed to be an affected district.

13 Any petition of the legal voters of a Class I district  
14 in which no city or village is situated which is commenced after  
15 January 1, 1996, and proposes the dissolution of the Class I  
16 district and the attachment of a portion of it to two or more  
17 districts shall require signatures of more than fifty percent of  
18 the legal voters of such Class I district. If the state committee  
19 determines that such petition contains valid signatures of more  
20 than fifty percent of the legal voters of such Class I district,  
21 the state committee shall grant the petition.

22 (2) (a) Petitions proposing to change the boundaries of  
23 existing school districts that are not members of a learning  
24 community through the transfer of a parcel of land, not to exceed  
25 six hundred forty acres, shall be approved by the state committee  
26 when the petitions involve the transfer of land between Class I,  
27 II, III, or IV school districts or when there would be an exchange

1 of parcels of land between Class I, II, III, or IV school districts  
2 and the petitions have the approval of at least sixty-five percent  
3 of the school board of each affected district. If the transfer of  
4 the parcel of land is from a Class I school district to one or more  
5 Class II, III, IV, V, or VI school districts of which the parcel is  
6 not a part or with which the parcel is not affiliated, any Class  
7 II, III, IV, V, or VI school district of which the parcel is not  
8 a part or with which the parcel is affiliated shall be deemed an  
9 affected district.

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

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

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

8 ~~(b) The state committee shall also review and approve or~~  
9 ~~disapprove incentive payments under section 79-1010.~~

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

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

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

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

7           Sec. 3. Section 79-536, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9           79-536 (1) Summer school means educational opportunities  
10 that, except as otherwise provided in this section, are undertaken  
11 on a voluntary basis by students who will be entering any of grades  
12 one through twelve in the next school year and are offered during  
13 the period of time between two consecutive school years.

14           (2) Summer school may be offered by any school district.

15           (3) The board of education of any school district may  
16 require children between and including the ages of six and fifteen  
17 years, regularly enrolled within the system and deemed by the  
18 school administration to be making unsatisfactory progress, to  
19 attend summer school for up to one-half of a regular school day  
20 if in the opinion of the administration they would benefit from  
21 the experience. Chief emphasis in such summer classes shall be  
22 on reading, language arts, and arithmetic and those areas of  
23 personality development especially in need of development. Teachers  
24 shall be encouraged to design new and imaginative techniques and  
25 curricula not usually used during the regular school year which  
26 in the opinion of such teachers will offer new incentives towards  
27 learning, with special emphasis on those techniques that seek

1 to develop the students' personalities in a wholesome manner,  
2 especially developing pride, self-confidence, and self-control.  
3 Teachers of such classes shall not be assigned more than fifteen  
4 students, or more than twenty-five students if assisted full time  
5 by an aide or paraprofessional. Such students shall be graded at  
6 the end of the course upon their relative degree of striving to  
7 improve their skills, attitudes, and personalities.

8           Sec. 4. Section 79-1001, Revised Statutes Cumulative  
9 Supplement, 2010, as amended by section 1, Legislative Bill 18,  
10 One Hundred Second Legislature, First Session, 2011, is amended to  
11 read:

12           79-1001 Sections 79-1001 to 79-1033 and section 11 of  
13 this act and section 15 of this act shall be known and may be cited  
14 as the Tax Equity and Educational Opportunities Support Act.

15           Sec. 5. Section 79-1003, Revised Statutes Cumulative  
16 Supplement, 2010, as amended by section 2, Legislative Bill 18,  
17 One Hundred Second Legislature, First Session, 2011, is amended to  
18 read:

19           79-1003 For purposes of the Tax Equity and Educational  
20 Opportunities Support Act:

21           (1) Adjusted general fund operating expenditures means  
22 ~~(a) for school fiscal years before school fiscal year 2007-08,~~  
23 ~~general fund operating expenditures as calculated pursuant to~~  
24 ~~subdivision (21) of this section minus the transportation allowance~~  
25 ~~and minus the special receipts allowance,~~ (b) for school fiscal  
26 year 2007-08, general fund operating expenditures as calculated  
27 pursuant to subdivision (21) of this section minus the sum of

1 the transportation, special receipts, and distance education  
2 and telecommunications allowances, (c) for school fiscal year  
3 2008-09, the difference of the product of the general fund  
4 operating expenditures as calculated pursuant to subdivision (21)  
5 of this section multiplied by the cost growth factor calculated  
6 pursuant to section 79-1007.10 minus the transportation allowance,  
7 special receipts allowance, poverty allowance, limited English  
8 proficiency allowance, distance education and telecommunications  
9 allowance, elementary site allowance, elementary class size  
10 allowance, summer school allowance, and focus school and program  
11 allowance, (d) for school fiscal year 2009-10, the difference  
12 of the product of the general fund operating expenditures  
13 as calculated pursuant to subdivision (21) of this section  
14 multiplied by the cost growth factor calculated pursuant to  
15 section 79-1007.10 minus the transportation allowance, special  
16 receipts allowance, poverty allowance, limited English proficiency  
17 allowance, distance education and telecommunications allowance,  
18 elementary site allowance, elementary class size allowance, summer  
19 school allowance, instructional time allowance, and focus school  
20 and program allowance, (e) (a) for school fiscal years 2010-11  
21 through 2012-13, the difference of the product of the general  
22 fund operating expenditures as calculated pursuant to subdivision  
23 ~~(21)~~ (22) of this section increased by, or for aid calculated for  
24 school fiscal year 2010-11 multiplied by, the cost growth factor  
25 calculated pursuant to section 79-1007.10, minus the transportation  
26 allowance, special receipts allowance, poverty allowance,  
27 limited English proficiency allowance, distance education and

1 telecommunications allowance, elementary site allowance, elementary  
2 class size allowance, summer school allowance, instructional time  
3 allowance, teacher education allowance, and focus school and  
4 program allowance, and ~~(f)~~ (b) for school fiscal year 2013-14  
5 and each school fiscal year thereafter, the difference ~~of the~~  
6 ~~product~~ of the general fund operating expenditures as calculated  
7 pursuant to subdivision ~~(21)~~ (22) of this section ~~multiplied~~  
8 increased by the cost growth factor calculated pursuant to  
9 section 79-1007.10, minus the transportation allowance, special  
10 receipts allowance, poverty allowance, limited English proficiency  
11 allowance, distance education and telecommunications allowance,  
12 elementary site allowance, summer school allowance, instructional  
13 time allowance, teacher education allowance, and focus school and  
14 program allowance;

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

26 (3) Allocated income tax funds means the amount of  
27 assistance paid to a local system pursuant to section 79-1005.01 ~~or~~



1 79-1005.02 as adjusted by the minimum levy adjustment pursuant to  
2 section 79-1008.02;

3 ~~(4) Average daily attendance of a student who resides on~~  
4 ~~Indian land means average daily attendance of a student who resides~~  
5 ~~on Indian land from the most recent data available on November 1~~  
6 ~~preceding the school fiscal year in which aid is to be paid;~~

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

13 ~~(6) (5) Base fiscal year means the first school fiscal~~  
14 ~~year following the school fiscal year in which the reorganization~~  
15 ~~or unification occurred;~~

16 ~~(7) (6) Board means the school board of each school~~  
17 ~~district;~~

18 ~~(8) (7) Categorical funds means funds limited to a~~  
19 ~~specific purpose by federal or state law, including, but not~~  
20 ~~limited to, Title I funds, Title VI funds, federal vocational~~  
21 ~~education funds, federal school lunch funds, Indian education~~  
22 ~~funds, Head Start funds, and funds from the Education Innovation~~  
23 ~~Fund. Categorical funds does not include funds received pursuant to~~  
24 ~~section 79-1028.02 or section 11 of this act;~~

25 ~~(9) (8) Consolidate means to voluntarily reduce the~~  
26 ~~number of school districts providing education to a grade group and~~  
27 ~~does not include dissolution pursuant to section 79-498;~~

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

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

16           ~~(10)~~ (11) Department means the State Department of  
17 Education;

18           ~~(11)~~ (12) District means any Class I, II, III, IV, V,  
19 or VI school district and, beginning with the calculation of state  
20 aid for school fiscal year 2011-12 and each school fiscal year  
21 thereafter, a unified system as defined in section 79-4,108;

22           ~~(12)~~ (13) Ensuing school fiscal year means the school  
23 fiscal year following the current school fiscal year;

24           ~~(13)~~ (14) Equalization aid means the amount of assistance  
25 calculated to be paid to a local system pursuant to sections  
26 79-1007.11 to 79-1007.23, 79-1007.25, 79-1008.01 to 79-1022,  
27 79-1022.02, and 79-1028.02 and section 11 of this act;

1           ~~(14)~~ (15) Fall membership means the total membership in  
2 kindergarten through grade twelve attributable to the local system  
3 as reported on the fall school district membership reports for each  
4 district pursuant to section 79-528;

5           ~~(15)~~ (16) Fiscal year means the state fiscal year which  
6 is the period from July 1 to the following June 30;

7           ~~(16)~~ (17) Formula students means:

8           ~~(a)~~ For school fiscal years prior to school fiscal year  
9 2008-09, ~~(i)~~ for state aid certified pursuant to section 79-1022,  
10 the sum of fall membership from the school fiscal year immediately  
11 preceding the school fiscal year in which the aid is to be paid,  
12 multiplied by the average ratio of average daily membership to fall  
13 membership for the second school fiscal year immediately preceding  
14 the school fiscal year in which aid is to be paid and the prior  
15 two school fiscal years, plus qualified early childhood education  
16 fall membership plus tuitioned students from the school fiscal year  
17 immediately preceding the school fiscal year in which the aid is  
18 to be paid and ~~(ii)~~ for final calculation of state aid pursuant to  
19 section 79-1065, the sum of average daily membership plus qualified  
20 early childhood education average daily membership plus tuitioned  
21 students from the school fiscal year immediately preceding the  
22 school fiscal year in which the aid was paid, and

23           ~~(b)~~ For school fiscal year 2008-09 and each school fiscal  
24 year thereafter, ~~(i)~~ for (a) For state aid certified pursuant to  
25 section 79-1022, the sum of the product of fall membership from  
26 the school fiscal year immediately preceding the school fiscal  
27 year in which the aid is to be paid multiplied by the average

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

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

18 ~~(17)~~ (18) Free lunch and free milk student means a  
19 student who qualified for free lunches or free milk from the most  
20 recent data available on November 1 of the school fiscal year  
21 immediately preceding the school fiscal year in which aid is to be  
22 paid;

23 ~~(18)~~ (19) Full-day kindergarten means kindergarten  
24 offered by a district for at least one thousand thirty-two  
25 instructional hours;

26 ~~(19)~~ (20) General fund budget of expenditures means  
27 the total budget of disbursements and transfers for general fund

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

7 ~~(20)~~ (21) General fund expenditures means all  
8 expenditures from the general fund;

9 ~~(21)~~ (22) General fund operating expenditures means: (a)  
10 For state aid calculated for school fiscal years 2010-11 and  
11 2011-12,

12 ~~(a)~~ For state aid calculated for school fiscal years  
13 prior to school fiscal year 2008-09, the total general fund  
14 expenditures minus categorical funds, tuition paid, transportation  
15 fees paid to other districts, adult education, summer school,  
16 community services, redemption of the principal portion of general  
17 fund debt service, retirement incentive plans, staff development  
18 assistance, and transfers from other funds into the general fund  
19 for the second school fiscal year immediately preceding the school  
20 fiscal year in which aid is to be paid as reported on the annual  
21 financial report prior to December 1 of the school fiscal year  
22 immediately preceding the school fiscal year in which aid is to be  
23 paid;

24 ~~(b)~~ For state aid calculated for school fiscal year  
25 2008-09, as reported for the second school fiscal year immediately  
26 preceding the school fiscal year in which aid is to be paid  
27 on the annual financial report submitted prior to December

1 1 of the school fiscal year immediately preceding the school  
2 fiscal year in which aid is to be paid, the total general  
3 fund expenditures minus (i) the amount of all receipts to  
4 the general fund, to the extent that such receipts are not  
5 included in local system formula resources, from early childhood  
6 education tuition, summer school tuition, educational entities as  
7 defined in section 79-1201.01 for providing distance education  
8 courses through the Educational Service Unit Coordinating Council  
9 to such educational entities, private foundations, individuals,  
10 associations, charitable organizations, the textbook loan program  
11 authorized by section 79-734, and federal impact aid, (ii)  
12 the amount of expenditures for categorical funds, tuition paid,  
13 transportation fees paid to other districts, adult education,  
14 community services, redemption of the principal portion of general  
15 fund debt service, retirement incentive plans authorized by section  
16 79-855, and staff development assistance authorized by section  
17 79-856, and (iii) the amount of any transfers from the general fund  
18 to any bond fund and transfers from other funds into the general  
19 fund;

20 (c) For state aid calculated for school fiscal year  
21 2009-10, as reported on the annual financial report for the second  
22 school fiscal year immediately preceding the school fiscal year  
23 in which aid is to be paid, the total general fund expenditures  
24 minus (i) the amount of all receipts to the general fund, to the  
25 extent that such receipts are not included in local system formula  
26 resources, from early childhood education tuition, summer school  
27 tuition, educational entities as defined in section 79-1201.01

1 for providing distance education courses through the Educational  
2 Service Unit Coordinating Council to such educational entities,  
3 private foundations, individuals, associations, charitable  
4 organizations, the textbook loan program authorized by section  
5 79-734, and federal impact aid, (ii) the amount of expenditures  
6 for categorical funds, tuition paid, transportation fees paid to  
7 other districts, adult education, community services, redemption  
8 of the principal portion of general fund debt service, retirement  
9 incentive plans authorized by section 79-855, and staff development  
10 assistance authorized by section 79-856, (iii) the amount of any  
11 transfers from the general fund to any bond fund and transfers from  
12 other funds into the general fund, and (iv) any legal expenses in  
13 excess of fifteen-hundredths of one percent of the formula need  
14 for the school fiscal year in which the expenses occurred; and (d)  
15 For state aid calculated for school fiscal year 2010-11 and each  
16 school fiscal year thereafter, as reported on the annual financial  
17 report for the second school fiscal year immediately preceding  
18 the school fiscal year in which aid is to be paid, the total  
19 general fund expenditures minus (i) the amount of all receipts  
20 to the general fund, to the extent that such receipts are not  
21 included in local system formula resources, from early childhood  
22 education tuition, summer school tuition, educational entities as  
23 defined in section 79-1201.01 for providing distance education  
24 courses through the Educational Service Unit Coordinating Council  
25 to such educational entities, private foundations, individuals,  
26 associations, charitable organizations, the textbook loan program  
27 authorized by section 79-734, federal impact aid, and levy

1 override elections pursuant to section 77-3444, (ii) the amount of  
2 expenditures for categorical funds, tuition paid, transportation  
3 fees paid to other districts, adult education, community services,  
4 redemption of the principal portion of general fund debt service,  
5 retirement incentive plans authorized by section 79-855, and  
6 staff development assistance authorized by section 79-856, (iii)  
7 the amount of any transfers from the general fund to any bond  
8 fund and transfers from other funds into the general fund,  
9 (iv) any legal expenses in excess of fifteen-hundredths of one  
10 percent of the formula need for the school fiscal year in which  
11 the expenses occurred, (v) expenditures to pay for sums agreed  
12 to be paid by a school district to certificated employees in  
13 exchange for a voluntary termination occurring prior to July 1,  
14 2009, and (vi) (A) expenditures in school fiscal years 2009-10  
15 through 2013-14 to pay for employer contributions pursuant to  
16 subsection (2) of section 79-958 to the School Retirement System  
17 of the State of Nebraska to the extent that such expenditures  
18 exceed the employer contributions under such subsection that would  
19 have been made at a contribution rate of seven and thirty-five  
20 hundredths percent or (B) expenditures in school fiscal years  
21 2009-10 through 2013-14 to pay for school district contributions  
22 pursuant to subdivision (1)(c)(i) of section 79-9,113 to the  
23 Class V School Employees Retirement System to the extent that  
24 such expenditures exceed the school district contributions under  
25 such subdivision that would have been made at a contribution  
26 rate of seven and thirty-seven hundredths percent; and (b) for  
27 state aid calculated for school fiscal years 2012-13 and each



1 school fiscal year thereafter, as reported on the annual financial  
2 report for the second school fiscal year immediately preceding  
3 the school fiscal year in which aid is to be paid, the total  
4 general fund expenditures minus (i) the amount of all receipts  
5 to the general fund, to the extent that such receipts are not  
6 included in local system formula resources, from early childhood  
7 education tuition, summer school tuition, educational entities as  
8 defined in section 79-1201.01 for providing distance education  
9 courses through the Educational Service Unit Coordinating Council  
10 to such educational entities, private foundations, individuals,  
11 associations, charitable organizations, the textbook loan program  
12 authorized by section 79-734, federal impact aid, and levy  
13 override elections pursuant to section 77-3444, (ii) the amount of  
14 expenditures for categorical funds, tuition paid, transportation  
15 fees paid to other districts, adult education, community services,  
16 redemption of the principal portion of general fund debt service,  
17 retirement incentive plans authorized by section 79-855, and staff  
18 development assistance authorized by section 79-856, (iii) the  
19 amount of any transfers from the general fund to any bond fund  
20 and transfers from other funds into the general fund, (iv) any  
21 legal expenses in excess of fifteen-hundredths of one percent  
22 of the formula need for the school fiscal year in which the  
23 expenses occurred, (v) expenditures to pay for sums agreed to be  
24 paid by a school district to certificated employees in exchange  
25 for a voluntary termination occurring prior to July 1, 2009, or  
26 occurring on or after July 1, 2011, and on or before June 30, 2013,  
27 (vi) (A) expenditures in school fiscal years 2009-10 through 2013-14

1 to pay for employer contributions pursuant to subsection (2) of  
2 section 79-958 to the School Retirement System of the State of  
3 Nebraska to the extent that such expenditures exceed the employer  
4 contributions under such subsection that would have been made at a  
5 contribution rate of seven and thirty-five hundredths percent or  
6 (B) expenditures in school fiscal years 2009-10 through 2013-14  
7 to pay for school district contributions pursuant to subdivision  
8 (1)(c)(i) of section 79-9,113 to the Class V School Employees  
9 Retirement System to the extent that such expenditures exceed the  
10 school district contributions under such subdivision that would  
11 have been made at a contribution rate of seven and thirty-seven  
12 hundredths percent, and (vii) any amounts paid by the district for  
13 lobbyist fees and expenses reported to the Clerk of the Legislature  
14 pursuant to section 49-1483.

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

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

24           ~~(23)~~ (24) Income tax liability means the amount of the  
25 reported income tax liability for resident individuals pursuant to  
26 the Nebraska Revenue Act of 1967 less all nonrefundable credits  
27 earned and refunds made;

1           ~~(24)~~ (25) Income tax receipts means the amount of income  
2 tax collected pursuant to the Nebraska Revenue Act of 1967 less all  
3 nonrefundable credits earned and refunds made;

4           ~~(25)~~ (26) Limited English proficiency students means ~~(a)~~  
5 ~~for school fiscal years prior to school fiscal year 2009-10, the~~  
6 ~~number of students with limited English proficiency in a district~~  
7 ~~from the most recent data available on November 1 of the school~~  
8 ~~fiscal year preceding the school fiscal year in which aid is to~~  
9 ~~be paid and (b) for school fiscal year 2009-10 and each school~~  
10 ~~fiscal year thereafter,~~ the number of students with limited English  
11 proficiency in a district from the most recent data available on  
12 November 1 of the school fiscal year preceding the school fiscal  
13 year in which aid is to be paid plus the difference of such  
14 students with limited English proficiency minus the average number  
15 of limited English proficiency students for such district, prior to  
16 such addition, for the three immediately preceding school fiscal  
17 years if such difference is greater than zero;

18           ~~(26)~~ (27) Local system means a learning community for  
19 purposes of calculation of state aid for the second full school  
20 fiscal year after becoming a learning community and each school  
21 fiscal year thereafter, a unified system, a Class VI district and  
22 the associated Class I districts, or a Class II, III, IV, or  
23 V district and any affiliated Class I districts or portions of  
24 Class I districts. The membership, expenditures, and resources of  
25 Class I districts that are affiliated with multiple high school  
26 districts will be attributed to local systems based on the percent  
27 of the Class I valuation that is affiliated with each high school

1 district;

2 ~~(27)~~ (28) Low-income child means ~~(a)~~ ~~for school fiscal~~  
3 ~~years prior to 2008-09,~~ a child under nineteen years of age living  
4 in a household having an annual adjusted gross income of fifteen  
5 thousand dollars or less for the second calendar year preceding  
6 the beginning of the school fiscal year for which aid is being  
7 calculated and ~~(b)~~ ~~for school fiscal year 2008-09 and each school~~  
8 ~~fiscal year thereafter,~~ a child under nineteen years of age living  
9 in a household having an annual adjusted gross income for the  
10 second calendar year preceding the beginning of the school fiscal  
11 year for which aid is being calculated equal to or less than the  
12 maximum household income that would allow a student from a family  
13 of four people to be a free lunch and free milk student during the  
14 school fiscal year immediately preceding the school fiscal year for  
15 which aid is being calculated;

16 ~~(28)~~ (29) Low-income students means the number of  
17 low-income children within the district multiplied by the ratio of  
18 the formula students in the district divided by the total children  
19 under nineteen years of age residing in the district as derived  
20 from income tax information;

21 ~~(29)~~ (30) Most recently available complete data year  
22 means the most recent single school fiscal year for which the  
23 annual financial report, fall school district membership report,  
24 annual statistical summary, Nebraska income tax liability by school  
25 district for the calendar year in which the majority of the school  
26 fiscal year falls, and adjusted valuation data are available;

27 ~~(30)~~ (31) Poverty students means ~~(a)~~ ~~for school fiscal~~

1 years prior to school fiscal year 2009-10, the number of low-income  
2 students or the number of students who are free lunch and free milk  
3 students in a district, whichever is greater, and (b) for school  
4 fiscal year 2009-10 and each school fiscal year thereafter, the  
5 number of low-income students or the number of students who are  
6 free lunch and free milk students in a district plus the difference  
7 of the number of low-income students or the number of students  
8 who are free lunch and free milk students in a district, whichever  
9 is greater, minus the average number of poverty students for  
10 such district, prior to such addition, for the three immediately  
11 preceding school fiscal years if such difference is greater than  
12 zero;

13           ~~(31)~~ (32) Qualified early childhood education average  
14 daily membership means the product of the average daily membership  
15 for school fiscal year 2006-07 and each school fiscal year  
16 thereafter of students who will be eligible to attend kindergarten  
17 the following school year and are enrolled in an early childhood  
18 education program approved by the department pursuant to section  
19 79-1103 for such school district for such school year multiplied by  
20 the ratio of the actual instructional hours of the program divided  
21 by one thousand thirty-two if: (a) The program is receiving a grant  
22 pursuant to such section for the third year; (b) the program has  
23 already received grants pursuant to such section for three years;  
24 or (c) the program has been approved pursuant to subsection (5) of  
25 section 79-1103 for such school year and the two preceding school  
26 years, including any such students in portions of any of such  
27 programs receiving an expansion grant;

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

16           ~~(33)~~ (34) Regular route transportation means the  
17 transportation of students on regularly scheduled daily routes to  
18 and from the attendance center;

19           ~~(34)~~ (35) Reorganized district means any district  
20 involved in a consolidation and currently educating students  
21 following consolidation;

22           ~~(35)~~ (36) School year or school fiscal year means the  
23 fiscal year of a school district as defined in section 79-1091;

24           ~~(36)~~ (37) Sparse local system means a local system that  
25 is not a very sparse local system but which meets the following  
26 criteria:

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

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

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

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

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

18 ~~(37)~~ (38) Special education means specially designed  
19 kindergarten through grade twelve instruction pursuant to section  
20 79-1125, and includes special education transportation;

21 ~~(38)~~ (39) Special grant funds means the budgeted receipts  
22 for grants, including, but not limited to, ~~Title I funds,~~ ~~Title~~  
23 ~~VI funds,~~ ~~funds from the Education Innovation Fund,~~ categorical  
24 funds, reimbursements for wards of the court, short-term borrowings  
25 including, but not limited to, registered warrants and tax  
26 anticipation notes, interfund loans, insurance settlements, and  
27 reimbursements to county government for previous overpayment. The

1 state board shall approve a listing of grants that qualify as  
2 special grant funds;

3 ~~(39)~~ (40) State aid means the amount of assistance  
4 paid to a district pursuant to the Tax Equity and Educational  
5 Opportunities Support Act;

6 ~~(40)~~ (41) State board means the State Board of Education;

7 ~~(41)~~ (42) State support means all funds provided to  
8 districts by the State of Nebraska for the general fund support of  
9 elementary and secondary education;

10 ~~(42)~~ (43) Statewide average basic funding per formula  
11 student means the statewide total basic funding for all districts  
12 divided by the statewide total formula students for all districts;

13 ~~(43)~~ (44) Statewide average general fund operating  
14 expenditures per formula student means the statewide total general  
15 fund operating expenditures for all districts divided by the  
16 statewide total formula students for all districts;

17 ~~(44)~~ (45) Teacher has the definition found in section  
18 79-101;

19 ~~(45)~~ (46) Temporary aid adjustment factor means (a) for  
20 school fiscal years before school fiscal year 2007-08, one and  
21 one-fourth percent of the sum of the local system's transportation  
22 allowance, the local system's special receipts allowance, and the  
23 product of the local system's adjusted formula students multiplied  
24 by the average formula cost per student in the local system's  
25 cost grouping and (b) for school fiscal year 2007-08, one and  
26 one-fourth percent of the sum of the local system's transportation  
27 allowance, special receipts allowance, and distance education and



1 telecommunications allowance and the product of the local system's  
2 adjusted formula students multiplied by the average formula cost  
3 per student in the local system's cost grouping;

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

8 ~~(46)~~ (48) Tuitioned students means students in  
9 kindergarten through grade twelve of the district whose tuition is  
10 paid by the district to some other district or education agency;  
11 and

12 ~~(47)~~ (49) Very sparse local system means a local system  
13 that has:

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

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

25 Sec. 6. Section 79-1003.01, Revised Statutes Cumulative  
26 Supplement, 2010, is amended to read:

27 79-1003.01 ~~(1)~~ For school fiscal year 2008-09, the

1 department shall calculate a summer school allowance for each  
2 district equal to two and one-half percent of the summer school  
3 student units for such district multiplied by eighty-five percent  
4 of the statewide average general fund operating expenditures per  
5 formula student. For purposes of this subsection, summer school  
6 student unit means one student enrolled in summer school in a  
7 school district, whether or not the student is in the membership  
8 of the school district, for (a) at least three hours but fewer  
9 than six hours per day and (b) at least twelve days but fewer  
10 than twenty-four days. Each school district shall receive a summer  
11 school student unit for each qualified time period for which a  
12 student is enrolled, up to six units per student per summer.

13           ~~(2)~~ For school fiscal year 2009-10 and each school fiscal  
14 year thereafter, the (1) The department shall calculate a summer  
15 school allowance for each district which submits the information  
16 required for the calculation on a form prescribed by the department  
17 on or before October 15 of the school fiscal year preceding the  
18 school fiscal year for which aid is being calculated. A summer  
19 school allowance shall be equal to two and one-half percent of  
20 the summer school student units for such district multiplied by  
21 eighty-five percent of the statewide average general fund operating  
22 expenditures per formula student.

23           (2) Summer school student units shall be calculated for  
24 each student enrolled in summer school as defined in section 79-536  
25 in a school district who attends such summer school for at least  
26 twelve days in the most recently available complete data year,  
27 whether or not the student is in the membership of the school

1 district. The initial number of units for each such student shall  
2 equal the sum of the ratios, each rounded down to the nearest whole  
3 number, of the number of days for which the student attended summer  
4 school classes in such district for at least three hours and less  
5 than six hours per day divided by twelve days and of two times the  
6 number of days for which the student attended summer school classes  
7 in such district for six or more hours per day divided by twelve  
8 days.

9 (3) Each school district shall receive an additional  
10 summer school student unit for each summer school student unit  
11 attributed to remedial math or reading programs. Each school  
12 district shall also receive an additional summer school student  
13 unit for each summer school student unit attributed to a free lunch  
14 and free milk student.

15 (4) Beginning with state aid calculated for school fiscal  
16 year 2012-13, summer school student units shall be calculated for  
17 each student who was both enrolled in the most recently available  
18 complete data year in a summer session of an early childhood  
19 education program for which a qualified early childhood education  
20 membership greater than zero has been calculated for the school  
21 fiscal year for which aid is being calculated and eligible to  
22 attend kindergarten in the fall immediately following such summer  
23 session. The initial number of units for each such early childhood  
24 education student shall equal the sum of the ratios, each rounded  
25 down to the nearest whole number, of the number of days for which  
26 the student attended the summer session in such district for at  
27 least three hours and less than six hours per day divided by twelve

1 days and of two times the number of days for which the student  
2 attended the summer session in such district for six or more hours  
3 per day divided by twelve days. The initial summer school student  
4 units for early childhood education students shall be multiplied  
5 by six-tenths. Instructional hours included in the calculation of  
6 qualified early childhood membership shall not be included in the  
7 calculation of the summer school allowance.

8 (5) Each school district shall receive an additional  
9 six-tenths of a summer school student unit for each early childhood  
10 education student unit attributed to a free lunch and free milk  
11 early childhood education student.

12 (6) This section does not prevent school districts from  
13 requiring and collecting fees for summer school or summer sessions  
14 of early childhood education programs, except that summer school  
15 student units shall not be calculated for school districts which  
16 collect fees for summer school from students who qualify for  
17 free or reduced-price lunches under United States Department of  
18 Agriculture child nutrition programs.

19 Sec. 7. Section 79-1005.01, Revised Statutes Cumulative  
20 Supplement, 2010, is amended to read:

21 79-1005.01 ~~For state aid calculated for all school fiscal~~  
22 ~~years except school fiscal years 2002-03 through 2007-08:~~

23 (1) An amount equal to the amount appropriated to  
24 the School District Income Tax Fund for distribution in school  
25 fiscal year 1992-93 shall be disbursed as option payments as  
26 determined under section 79-1009 and as allocated income tax  
27 funds as determined in this section and sections 79-1008.01,

1 79-1015.01, 79-1017.01, and 79-1018.01, except as provided in  
2 section 79-1008.02. Funds not distributed as allocated income tax  
3 funds due to minimum levy adjustments shall not increase the amount  
4 available to local systems for distribution as allocated income tax  
5 funds.†

6 (2) Not later than November 15 of each year, the Tax  
7 Commissioner shall certify to the department for the preceding tax  
8 year the income tax liability of resident individuals for each  
9 local system. The 1996 income tax liability of resident individuals  
10 of Class I districts that are affiliated with multiple high school  
11 districts shall be divided between local systems based on the  
12 percentage of the Class I district's valuation affiliated with each  
13 high school district.† and

14 (3) Using the data certified by the Tax Commissioner  
15 pursuant to ~~subdivision~~ subsection (2) of this section, the  
16 department shall calculate the allocation percentage and each local  
17 system's allocated income tax funds. The allocation percentage  
18 shall be an amount equal to the amount appropriated to the  
19 School District Income Tax Fund for distribution in school fiscal  
20 year 1992-93 minus the total amount paid for option students  
21 pursuant to section 79-1009 and, (a) for aid calculated for  
22 school fiscal year 2010-11, minus twenty million dollars and (b)  
23 for aid calculated for school fiscal years 2011-12 and 2012-13,  
24 minus twenty-one million dollars with the difference divided by  
25 the aggregate statewide income tax liability of all resident  
26 individuals certified pursuant to ~~subdivision~~ subsection (2) of  
27 this section. Each local system's allocated income tax funds

1 shall be calculated by multiplying the allocation percentage times  
2 the local system's income tax liability certified pursuant to  
3 ~~subdivision~~ subsection (2) of this section.

4 Sec. 8. Section 79-1007.10, Revised Statutes Cumulative  
5 Supplement, 2010, is amended to read:

6 79-1007.10 (1) For state aid calculated for all school  
7 fiscal years except school fiscal years ~~2009-10 through 2013-14,~~  
8 year 2010-11, the cost growth factor shall equal the sum of: (a)  
9 ~~One;~~ plus ~~(b) the~~ The basic allowable growth rate pursuant to  
10 section 79-1025 for the school fiscal year in which the aid is  
11 to be distributed; plus ~~(c)~~ (b) the basic allowable growth rate  
12 pursuant to section 79-1025 for the school fiscal year immediately  
13 preceding the school fiscal year in which the aid is to be  
14 distributed. ~~plus (d) one percent.~~

15 ~~(2)(a) For state aid calculated for school fiscal year~~  
16 ~~2009-10,~~ the cost growth factor shall equal the sum of: ~~(i) One;~~  
17 plus ~~(ii) the basic allowable growth rate pursuant to section~~  
18 ~~79-1025 for the school fiscal year in which the aid is to be~~  
19 ~~distributed;~~ plus ~~(iii) the basic allowable growth rate pursuant to~~  
20 ~~section 79-1025 for the school fiscal year immediately preceding~~  
21 ~~the school fiscal year in which the aid is to be distributed;~~ plus  
22 ~~(iv) one and five-tenths percent.~~

23 ~~(b) (2) For state aid calculated for school fiscal year~~  
24 ~~2010-11,~~ the cost growth factor shall equal the sum of: (i) One;  
25 plus (ii) the basic allowable growth rate pursuant to section  
26 79-1025 for the school fiscal year in which the aid is to be  
27 distributed; plus (iii) the basic allowable growth rate pursuant to

1 section 79-1025 for the school fiscal year immediately preceding  
2 the school fiscal year in which the aid is to be distributed; plus  
3 (iv) two percent.

4 ~~(c) For state aid calculated for school fiscal years~~  
5 ~~2011-12 through 2013-14,~~ the cost growth factor shall equal the sum  
6 ~~of:~~ ~~(i) One,~~ plus ~~(ii) the basic allowable growth rate pursuant to~~  
7 ~~section 79-1025 for the school fiscal year in which the aid is to~~  
8 ~~be distributed;~~ plus ~~(iii) the basic allowable growth rate pursuant~~  
9 ~~to section 79-1025 for the school fiscal year immediately preceding~~  
10 ~~the school fiscal year in which the aid is to be distributed;~~ plus  
11 ~~(iv) one and five-tenths percent.~~

12 Sec. 9. Section 79-1007.11, Revised Statutes Cumulative  
13 Supplement, 2010, is amended to read:

14 79-1007.11 ~~(1) Except as otherwise provided in this~~  
15 ~~section,~~ for school fiscal year 2008-09, each school district's  
16 formula need shall equal the difference of the sum of the school  
17 district's basic funding, poverty allowance, limited English  
18 proficiency allowance, elementary class size allowance, focus  
19 school and program allowance, summer school allowance, special  
20 receipts allowance, transportation allowance, elementary site  
21 allowance, distance education and telecommunications allowance,  
22 averaging adjustment, and teacher education adjustment, minus  
23 the sum of the limited English proficiency allowance correction,  
24 poverty allowance correction, and local choice adjustment.

25 ~~(2) Except as otherwise provided in this section,~~  
26 ~~for school fiscal year 2009-10,~~ each school district's formula  
27 need shall equal the difference of the sum of the school

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

12       ~~(3)~~ (1) Except as otherwise provided in this section, for  
13 school fiscal year 2010-11, each school district's formula need  
14 shall equal the difference of the sum of the school district's  
15 basic funding, poverty allowance, limited English proficiency  
16 allowance, elementary class size allowance, focus school and  
17 program allowance, summer school allowance, special receipts  
18 allowance, transportation allowance, elementary site allowance,  
19 instructional time allowance, teacher education allowance, distance  
20 education and telecommunications allowance, averaging adjustment,  
21 new learning community transportation adjustment, student growth  
22 adjustment, and new school adjustment, minus the sum of the  
23 limited English proficiency allowance correction, poverty allowance  
24 correction, and local choice adjustment.

25       ~~(4)~~ (2) Except as otherwise provided in this section, for  
26 school fiscal years 2011-12 and 2012-13, each school district's  
27 formula need shall equal the difference of the sum of the



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

13 ~~(5)~~ (3) Except as otherwise provided in this section, for  
14 school fiscal year 2013-14 and each school fiscal year thereafter,  
15 each school district's formula need shall equal the difference of  
16 the sum of the school district's basic funding, poverty allowance,  
17 limited English proficiency allowance, focus school and program  
18 allowance, summer school allowance, special receipts allowance,  
19 transportation allowance, elementary site allowance, instructional  
20 time allowance, teacher education allowance, distance education and  
21 telecommunications allowance, averaging adjustment, new learning  
22 community transportation adjustment, student growth adjustment,  
23 any positive student growth adjustment correction, and new school  
24 adjustment, minus the sum of the limited English proficiency  
25 allowance correction, poverty allowance correction, any negative  
26 student growth adjustment correction, and local choice adjustment.

27 ~~(6)~~ IF (4) For state aid calculated for all school

1 fiscal years except school fiscal year 2011-12, if the formula  
2 need calculated for a school district pursuant to subsections (1)  
3 through (5) subsections (1) through (3) of this section is less  
4 than one hundred percent of the formula need for such district  
5 for the school fiscal year immediately preceding the school fiscal  
6 year for which aid is being calculated, the formula need for such  
7 district shall equal one hundred percent of the formula need for  
8 such district for the school fiscal year immediately preceding the  
9 school fiscal year for which aid is being calculated. For state  
10 aid calculated for school fiscal year 2011-12, if the formula need  
11 calculated for a school district pursuant to subsection (2) of  
12 this section is less than ninety-five percent of the formula need  
13 for such district for the school fiscal year immediately preceding  
14 the school fiscal year for which aid is being calculated, the  
15 formula need for such district shall equal ninety-five percent of  
16 the formula need for such district for the school fiscal year  
17 immediately preceding the school fiscal year for which aid is being  
18 calculated.

19 (7) Except (5) For state aid calculated for school fiscal  
20 years except school fiscal year 2011-12, except as provided in  
21 subsection (9) (7) of this section, if the formula need calculated  
22 for a school district pursuant to subsections (1) through (5)  
23 (3) of this section is more than one hundred twelve percent of  
24 the formula need for such district for the school fiscal year  
25 immediately preceding the school fiscal year for which aid is  
26 being calculated, the formula need for such district shall equal  
27 one hundred twelve percent of the formula need for such district

1 for the school fiscal year immediately preceding the school fiscal  
2 year for which aid is being calculated, except that the formula  
3 need shall not be reduced pursuant to this subsection for any  
4 district ~~(a)~~ receiving a student growth adjustment for the school  
5 fiscal year for which aid is being calculated. For state aid  
6 calculated for school fiscal year 2011-12, except as provided in  
7 subsection (7) of this section, if the formula need calculated  
8 for a school district pursuant to subsection (2) or (3) of this  
9 section is more than one hundred seven percent of the formula  
10 need for such district for the school fiscal year immediately  
11 preceding the school fiscal year for which aid is being calculated,  
12 the formula need for such district shall equal one hundred seven  
13 percent of the formula need for such district for the school fiscal  
14 year immediately preceding the school fiscal year for which aid  
15 is being calculated, except that the formula need shall not be  
16 reduced pursuant to this subsection for any district receiving a  
17 student growth adjustment for the school fiscal year for which aid  
18 is being calculated. ~~or (b) for school fiscal year 2008-09, for~~  
19 ~~which the formula students for the certification of aid pursuant to~~  
20 ~~section 79-1022 for school fiscal year 2008-09 minus the formula~~  
21 ~~students for the certification of aid pursuant to section 79-1022~~  
22 ~~for school fiscal year 2007-08 equals at least the greater of~~  
23 ~~twenty-five students or one percent of the formula students for the~~  
24 ~~certification of aid pursuant to section 79-1022 for school fiscal~~  
25 ~~year 2007-08.~~

26 ~~(8)~~ (6) For purposes of subsections ~~(6)~~ and ~~(7)~~ (4) and  
27 (5) of this section, the formula need for the school fiscal year

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

13           ~~(9)~~ (7) For state aid calculated for the first full  
14 school fiscal year of a new learning community, if the formula need  
15 calculated for a member school district pursuant to subsections  
16 (1) through ~~(6)~~ (4) of this section is less than the sum of the  
17 school district's state aid certified for the school fiscal year  
18 immediately preceding the first full school fiscal year of the  
19 learning community plus the school district's other actual receipts  
20 included in local system formula resources pursuant to section  
21 79-1018.01 for such school fiscal year plus the product of the  
22 school district's general fund levy for such school fiscal year up  
23 to one dollar and five cents multiplied by the school district's  
24 assessed valuation for such school fiscal year, the formula need  
25 for such school district for the school fiscal year for which aid  
26 is being calculated shall equal such sum.

27           Sec. 10. Section 79-1007.16, Revised Statutes Cumulative

1 Supplement, 2010, is amended to read:

2 79-1007.16 ~~For school fiscal year 2008-09 and each school~~  
3 ~~fiscal year thereafter, the~~ (1) The department shall calculate  
4 basic funding for each district as ~~follows+provided in this~~  
5 section.

6 ~~(1)~~ (2) For state aid calculated for school fiscal years  
7 prior to school fiscal year 2011-12:

8 (a) A comparison group shall be established for each  
9 district consisting of the districts for which basic funding is  
10 being calculated, the five larger districts that are closest in  
11 size to the district for which basic funding is being calculated as  
12 measured by formula students, and the five smaller districts that  
13 are closest in size to the district for which basic funding is  
14 being calculated as measured by formula students. If there are not  
15 five districts that are larger than the district for which basic  
16 funding is being calculated or if there are not five districts  
17 that are smaller than the district for which basic funding is  
18 being calculated, the comparison group shall consist of only as  
19 many districts as fit the criteria. If more than one district  
20 has exactly the same number of formula students as the largest or  
21 smallest district in the comparison group, all of the districts  
22 with exactly the same number of formula students as the largest or  
23 smallest districts in the comparison group shall be included in the  
24 comparison group. If one or more districts have exactly the same  
25 number of formula students as the district for which basic funding  
26 is being calculated, all such districts shall be included in the  
27 comparison group in addition to the five larger districts and the

1 five smaller districts. The comparison group shall remain the same  
2 for the final calculation of aid pursuant to section 79-1065;

3 ~~(2)~~ (b) For districts with nine hundred or more formula  
4 students, basic funding shall equal the formula students multiplied  
5 by the average of the adjusted general fund operating expenditures  
6 per formula student for each district in the comparison group,  
7 excluding both the district with the highest adjusted general fund  
8 operating expenditures per formula student and the district with  
9 the lowest adjusted general fund operating expenditures per formula  
10 student of the districts in the comparison group; and

11 ~~(3)~~ (c) For districts with fewer than nine hundred  
12 formula students, basic funding shall equal the product of the  
13 average of the adjusted general fund operating expenditures for  
14 each district in the comparison group, excluding both the district  
15 with the highest adjusted general fund operating expenditures  
16 and the district with the lowest adjusted general fund operating  
17 expenditures of the districts in the comparison group.

18 (3) For state aid calculated for school fiscal year  
19 2011-12 and each school fiscal year thereafter:

20 (a) A comparison group shall be established for each  
21 district consisting of the districts for which basic funding is  
22 being calculated, the ten larger districts that are closest in size  
23 to the district for which basic funding is being calculated as  
24 measured by formula students, and the ten smaller districts that  
25 are closest in size to the district for which basic funding is  
26 being calculated as measured by formula students. If there are not  
27 ten districts that are larger than the district for which basic

1 funding is being calculated or if there are not ten districts  
2 that are smaller than the district for which basic funding is  
3 being calculated, the comparison group shall consist of only as  
4 many districts as fit the criteria. If more than one district  
5 has exactly the same number of formula students as the largest or  
6 smallest district in the comparison group, all of the districts  
7 with exactly the same number of formula students as the largest or  
8 smallest districts in the comparison group shall be included in the  
9 comparison group. If one or more districts have exactly the same  
10 number of formula students as the district for which basic funding  
11 is being calculated, all such districts shall be included in the  
12 comparison group in addition to the ten larger districts and the  
13 ten smaller districts. The comparison group shall remain the same  
14 for the final calculation of aid pursuant to section 79-1065;

15 (b) For districts with nine hundred or more formula  
16 students, basic funding shall equal the formula student multiplied  
17 by the average of the adjusted general fund operating expenditures  
18 per formula student for each district in the comparison group,  
19 excluding both the two districts with the highest adjusted  
20 general fund operating expenditures per formula student and the  
21 two districts with the lowest adjusted general fund operating  
22 expenditures per formula student of the districts in the comparison  
23 group; and

24 (c) For districts with fewer than nine hundred formula  
25 students, basic funding shall equal the product of the average of  
26 the adjusted general fund operating expenditures for each district  
27 in the comparison group, excluding both the two districts with

1 the highest adjusted general fund operating expenditures and the  
2 two districts with the lowest adjusted general fund operating  
3 expenditures of the districts in the comparison group.

4 Sec. 11. Section 79-1007.18, Revised Statutes Cumulative  
5 Supplement, 2010, is amended to read:

6 79-1007.18 (1) ~~For school fiscal year 2008-09 and each~~  
7 ~~school fiscal year thereafter,~~ the The department shall calculate  
8 an averaging adjustment for districts if the basic funding per  
9 formula student is less than the averaging adjustment threshold  
10 and the general fund levy for the school fiscal year immediately  
11 preceding the school fiscal year for which aid is being calculated  
12 was at least ~~ninety-six cents per one hundred dollars of taxable~~  
13 ~~valuation for aid calculated for school fiscal year 2008-09 and~~  
14 ~~at least one dollar per one hundred dollars of taxable valuation.~~  
15 ~~for aid calculated for school fiscal year 2009-10 and each school~~  
16 ~~fiscal year thereafter.~~ For school districts that are members of  
17 a learning community, the general fund levy for purposes of this  
18 section includes both the common general fund levy and the school  
19 district general fund levy authorized pursuant to subdivisions  
20 (2)(b) and (2)(c) of section 77-3442. The averaging adjustment  
21 ~~for aid calculated for school fiscal year 2008-09 shall equal~~  
22 ~~seventy-five percent of the product of the district's formula~~  
23 ~~students multiplied by the percentage specified in subsection (4)~~  
24 ~~of this section for such district of the difference between the~~  
25 ~~averaging adjustment threshold minus such district's basic funding~~  
26 ~~per formula student.~~ The averaging adjustment for aid calculated  
27 ~~for school fiscal year 2009-10 and each school fiscal year~~



1 ~~thereafter~~ shall equal the district's formula students multiplied  
2 by the percentage specified in this section for such district of  
3 the difference between the averaging adjustment threshold minus  
4 such district's basic funding per formula student.

5 ~~(2)(a) For school fiscal year 2008-09, the averaging~~  
6 ~~adjustment threshold shall equal the statewide average basic~~  
7 ~~funding per formula student.~~

8 ~~(b) For school fiscal year 2009-10 and each (2)(a) For~~  
9 ~~school fiscal year thereafter, 2010-11, the averaging adjustment~~  
10 ~~threshold shall equal the lesser of (i) the averaging adjustment~~  
11 ~~threshold for the school fiscal year immediately preceding the~~  
12 ~~school fiscal year for which aid is being calculated increased~~  
13 ~~by the sum of the basic allowable growth rate plus five-tenths~~  
14 ~~of one percent or (ii) the statewide average basic funding per~~  
15 ~~formula student for the school fiscal year for which aid is being~~  
16 ~~calculated.~~

17 ~~(b) For school fiscal year 2011-12, the averaging~~  
18 ~~adjustment threshold shall equal ninety-five percent of the lesser~~  
19 ~~of (i) the averaging adjustment threshold for school fiscal year~~  
20 ~~2010-11 increased by the basic allowable growth rate or (ii) the~~  
21 ~~statewide average basic funding per formula student for school~~  
22 ~~fiscal year 2011-12.~~

23 ~~(c) For school fiscal year 2012-13 and each school~~  
24 ~~fiscal year thereafter, the averaging adjustment threshold shall~~  
25 ~~equal the lesser of (i) the averaging adjustment threshold for~~  
26 ~~the school fiscal year immediately preceding the school fiscal~~  
27 ~~year for which aid is being calculated increased by the basic~~

1 allowable growth rate or (ii) the statewide average basic funding  
2 per formula student for the school fiscal year for which aid is  
3 being calculated.

4 (3) The percentage to be used in the calculation of an  
5 averaging adjustment shall be based on the general fund levy for  
6 the school fiscal year immediately preceding the school fiscal year  
7 for which aid is being calculated.

8 ~~(4) The percentages to be used in the calculation of~~  
9 ~~averaging adjustments for school fiscal year 2008-09 shall be as~~  
10 ~~follows:~~

11 ~~(a) If such levy was at least ninety-six cents per one~~  
12 ~~hundred dollars of taxable valuation but less than ninety-seven~~  
13 ~~cents per one hundred dollars of taxable valuation, the percentage~~  
14 ~~shall be ten percent;~~

15 ~~(b) If such levy was at least ninety-seven cents per one~~  
16 ~~hundred dollars of taxable valuation but less than ninety-eight~~  
17 ~~cents per one hundred dollars of taxable valuation, the percentage~~  
18 ~~shall be twenty percent;~~

19 ~~(c) If such levy was at least ninety-eight cents per~~  
20 ~~one hundred dollars of taxable valuation but less than ninety-nine~~  
21 ~~cents per one hundred dollars of taxable valuation, the percentage~~  
22 ~~shall be thirty percent;~~

23 ~~(d) If such levy was at least ninety-nine cents per one~~  
24 ~~hundred dollars of taxable valuation but less than one dollar per~~  
25 ~~one hundred dollars of taxable valuation, the percentage shall be~~  
26 ~~forty percent;~~

27 ~~(e) If such levy was at least one dollar per one hundred~~

1 dollars of taxable valuation but less than one dollar and one cent  
2 per one hundred dollars of taxable valuation, the percentage shall  
3 be fifty percent;

4 (f) If such levy was at least one dollar and one cent per  
5 one hundred dollars of taxable valuation but less than one dollar  
6 and two cents per one hundred dollars of taxable valuation, the  
7 percentage shall be sixty percent;

8 (g) If such levy was at least one dollar and two  
9 cents per one hundred dollars of taxable valuation but less than  
10 one dollar and three cents per one hundred dollars of taxable  
11 valuation, the percentage shall be seventy percent;

12 (h) If such levy was at least one dollar and three cents  
13 per one hundred dollars of taxable valuation but less than one  
14 dollar and four cents per one hundred dollars of taxable valuation,  
15 the percentage shall be eighty percent; and

16 (i) If such levy was at least one dollar and four cents  
17 per one hundred dollars of taxable valuation, the percentage shall  
18 be ninety percent.

19 (5) (4) The percentages to be used in the calculation  
20 of averaging adjustments for school fiscal year 2009-10 and each  
21 school fiscal year thereafter shall be as follows:

22 (a) If such levy was at least one dollar per one hundred  
23 dollars of taxable valuation but less than one dollar and one cent  
24 per one hundred dollars of taxable valuation, the percentage shall  
25 be fifty percent;

26 (b) If such levy was at least one dollar and one cent per  
27 one hundred dollars of taxable valuation but less than one dollar

1 and two cents per one hundred dollars of taxable valuation, the  
2 percentage shall be sixty percent;

3 (c) If such levy was at least one dollar and two  
4 cents per one hundred dollars of taxable valuation but less than  
5 one dollar and three cents per one hundred dollars of taxable  
6 valuation, the percentage shall be seventy percent;

7 (d) If such levy was at least one dollar and three cents  
8 per one hundred dollars of taxable valuation but less than one  
9 dollar and four cents per one hundred dollars of taxable valuation,  
10 the percentage shall be eighty percent; and

11 (e) If such levy was at least one dollar and four cents  
12 per one hundred dollars of taxable valuation, the percentage shall  
13 be ninety percent.

14 Sec. 12. Section 79-1008.01, Revised Statutes Cumulative  
15 Supplement, 2010, as amended by section 5, Legislative Bill 18,  
16 One Hundred Second Legislature, First Session, 2011, is amended to  
17 read:

18 79-1008.01 For all school fiscal years except school  
19 fiscal year 2010-11, except as provided in sections 79-1008.02 to  
20 ~~79-1010,~~ 79-1009, each local system shall receive equalization aid  
21 in the amount that the total formula need of each local system, as  
22 determined pursuant to sections ~~79-1007.01~~ 79-1007.04 to 79-1007.23  
23 and section 79-1007.25, exceeds its total formula resources as  
24 determined pursuant to sections 79-1015.01 to 79-1018.01.

25 For school fiscal year 2010-11, except as provided in  
26 sections 79-1008.02 to ~~79-1010,~~ 79-1009, each local system shall  
27 receive equalization aid in the amount by which one hundred two

1 and twenty-three hundredths percent of the total formula need of  
2 each local system, as determined pursuant to sections ~~79-1007.01~~  
3 79-1007.04 to 79-1007.23 and section 79-1007.25, exceeds its total  
4 formula resources as determined pursuant to sections 79-1015.01 to  
5 79-1018.01.

6 Sec. 13. Section 79-1008.02, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8 79-1008.02 A minimum levy adjustment shall be calculated  
9 and applied to any local system that has a general fund common  
10 levy for the fiscal year during which aid is certified that is  
11 less than the maximum levy, for such fiscal year for such local  
12 system, allowed pursuant to subdivision (2)(a) or (b) of section  
13 77-3442 without a vote pursuant to section 77-3444 less five cents  
14 for learning communities and less ten cents for all other local  
15 systems. To calculate the minimum levy adjustment, the department  
16 shall subtract the local system general fund common levy for  
17 such fiscal year for such local system from the maximum levy  
18 allowed pursuant to subdivision (2)(a) or (b) of section 77-3442  
19 without a vote pursuant to section 77-3444 less five cents for  
20 learning communities and less ten cents for all other local systems  
21 and multiply the result by the local system's adjusted valuation  
22 divided by one hundred. The minimum levy adjustment shall be added  
23 to the formula resources of the local system for the determination  
24 of equalization aid pursuant to section 79-1008.01. If the minimum  
25 levy adjustment is greater than or equal to the allocated income  
26 tax funds calculated pursuant to section 79-1005.01, ~~or 79-1005.02,~~  
27 the local system shall not receive allocated income tax funds. If

1 the minimum levy adjustment is less than the allocated income tax  
2 funds calculated pursuant to section 79-1005.01, ~~ex 79-1005.02~~, the  
3 local system shall receive allocated income tax funds in the amount  
4 of the difference between the allocated income tax funds calculated  
5 pursuant to section 79-1005.01 ~~ex 79-1005.02~~ and the minimum levy  
6 adjustment. This section does not apply to the calculation of aid  
7 for a local system containing a learning community for the first  
8 school fiscal year for which aid is calculated for such local  
9 system.

10 Sec. 14. Section 79-1009, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12 79-1009 (1) (a) A district shall receive net option  
13 funding if option students as defined in section 79-233 (i)  
14 were actually enrolled in the school year immediately preceding the  
15 school year in which the aid is to be paid or (ii) will be enrolled  
16 in the school year in which the aid is to be paid as converted  
17 contract option students.

18 (b) The determination of the net number of option  
19 students shall be based on (i) the number of students enrolled  
20 in the district as option students and the number of students  
21 residing in the district but enrolled in another district as option  
22 students as of the day of the fall membership count pursuant to  
23 section 79-528, for the school fiscal year immediately preceding  
24 the school fiscal year in which aid is to be paid and (ii) the  
25 number of option students that will be enrolled in the district or  
26 enrolled in another district as converted contract option students  
27 for the fiscal year in which the aid is to be paid.

1           (c) Net number of option students means the difference of  
2 the number of option students enrolled in the district minus the  
3 number of students residing in the district but enrolled in another  
4 district as option students.

5           (2) For purposes of this section, ~~(a) For school~~  
6 ~~fiscal years 2002-03 through 2007-08,~~ net option funding shall  
7 be calculated by subtracting the temporary aid adjustment factor  
8 from the sum of the products of the net number of option students  
9 in each grade range multiplied by the statewide average cost  
10 grouping cost per student multiplied by the weighting factor for  
11 the corresponding grade range pursuant to section 79-1007.01, and  
12 ~~(b) for school fiscal year 2008-09 and each school fiscal year~~  
13 ~~thereafter,~~ net option funding shall be the sum of the product  
14 of the net number of option students multiplied by the statewide  
15 average basic funding per formula student.

16           (3) A district's net option funding shall be zero if the  
17 calculation produces a negative result.

18           Payments made under this section shall be made from the  
19 funds to be disbursed under section 79-1005.01 or 79-1005.02.

20           Such payments shall go directly to the option school  
21 district but shall count as a formula resource for the local  
22 system.

23           Sec. 15. For school fiscal years prior to school fiscal  
24 year 2027-28, a district which will have converted contract option  
25 students shall apply to the department on a form approved by the  
26 department within fifteen days after the effective date of this  
27 act for converted contract option students for school fiscal year

1 2011-12 and on or before November 1 of the calendar year preceding  
2 the beginning of all other school fiscal years for which there  
3 will be converted contract option students. The department shall  
4 determine the amount of tuition receipts from converted contracts  
5 to be excluded from the calculation of local system formula  
6 resources for each of the first two school fiscal years for which  
7 the converted contract will not be in effect and shall determine  
8 the number of converted contract option students to be attributed  
9 to the receiving district in the calculation of state aid for the  
10 first school fiscal year for which the converted contract will not  
11 be in effect, and the same number shall be attributed as optioning  
12 out of the resident school district. In the final calculation  
13 of state aid pursuant to section 79-1065, students that were  
14 attributed as optioning into or out of a district shall be replaced  
15 with the actual number from fall membership. The department shall  
16 notify the applicant district within thirty days after receipt of  
17 the completed application.

18           Sec. 16. Section 79-1015.01, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20           79-1015.01 (1) Local system formula resources shall  
21 include local effort rate yield which shall be computed as  
22 prescribed in this section.

23           ~~(2) For school fiscal years prior to school fiscal year~~  
24 ~~2008-09: (a) For state aid certified pursuant to section 79-1022,~~  
25 ~~the local effort rate shall be the maximum levy, for the school~~  
26 ~~fiscal year for which aid is being certified, authorized pursuant~~  
27 ~~to subdivision (2)(a) of section 77-3442 less ten cents; (b) for~~



1 the final calculation of state aid pursuant to section 79-1065,  
2 the local effort rate shall be the rate which, when multiplied  
3 by the total adjusted valuation of all taxable property in local  
4 systems receiving equalization aid pursuant to the Tax Equity and  
5 Educational Opportunities Support Act, will produce the amount  
6 needed to support the total formula need of such local systems when  
7 added to state aid appropriated by the Legislature and other actual  
8 receipts of local systems described in section 79-1018.01; and (c)  
9 the local effort rate yield shall be determined by multiplying each  
10 local system's total adjusted valuation by the local effort rate.

11 ~~(3) For school fiscal year 2008-09 and (2) For each~~  
12 ~~school fiscal year thereafter; except school fiscal years 2011-12~~  
13 ~~and 2012-13:~~ (a) For state aid certified pursuant to section  
14 79-1022, the local effort rate shall be the maximum levy, for the  
15 school fiscal year for which aid is being certified, authorized  
16 pursuant to subdivision (2)(a) of section 77-3442 less five cents;  
17 (b) for the final calculation of state aid pursuant to section  
18 79-1065, the local effort rate shall be the rate which, when  
19 multiplied by the total adjusted valuation of all taxable property  
20 in local systems receiving equalization aid pursuant to the Tax  
21 Equity and Educational Opportunities Support Act, will produce the  
22 amount needed to support the total formula need of such local  
23 systems when added to state aid appropriated by the Legislature  
24 and other actual receipts of local systems described in section  
25 79-1018.01; and (c) the local effort rate yield for such school  
26 fiscal years shall be determined by multiplying each local system's  
27 total adjusted valuation by the local effort rate.

1           (3) For school fiscal years 2011-12 and 2012-13: (a) For  
2 state aid certified pursuant to section 79-1022, the local effort  
3 rate shall be the maximum levy, for the school fiscal year for  
4 which aid is being certified, authorized pursuant to subdivision  
5 (2) (a) of section 77-3442 less one and five-hundredths of one cent;  
6 (b) for the final calculation of state aid pursuant to section  
7 79-1065, the local effort rate shall be the rate which, when  
8 multiplied by the total adjusted valuation of all taxable property  
9 in local systems receiving equalization aid pursuant to the Tax  
10 Equity and Educational Opportunities Support Act, will produce the  
11 amount needed to support the total formula need of such local  
12 systems when added to state aid appropriated by the Legislature  
13 and other actual receipts of local systems described in section  
14 79-1018.01; and (c) the local effort rate yield for such school  
15 fiscal years shall be determined by multiplying each local system's  
16 total adjusted valuation by the local effort rate.

17           Sec. 17. Section 79-1017.01, Revised Statutes Cumulative  
18 Supplement, 2010, is amended to read:

19           79-1017.01 ~~Local~~ For state aid calculated for school  
20 fiscal years prior to school fiscal year 2012-13, local system  
21 formula resources includes retirement aid determined under section  
22 79-1028.03, allocated income tax funds determined for each such  
23 district pursuant to the provisions of section 79-1005.01, ~~or~~  
24 79-1005.02, and adjustments pursuant to section 79-1008.02.

25           For state aid calculated for school fiscal years 2012-13  
26 and 2013-14, local system formula resources includes retirement  
27 aid determined under section 79-1028.03, allocated income tax

1 funds determined for each district pursuant to section 79-1005.01,  
2 and adjustments pursuant to section 79-1008.02, and is reduced  
3 by amounts paid by the district in the most recently available  
4 complete data year as property tax refunds pursuant to or in the  
5 manner prescribed by section 77-1736.06.

6 For state aid calculated for school fiscal year 2014-15  
7 and each school fiscal year thereafter, local system formula  
8 resources includes allocated income tax funds determined for each  
9 district pursuant to section 79-1005.01 and adjustments pursuant to  
10 section 79-1008.02 and is reduced by amounts paid by the district  
11 in the most recently complete data year as property tax refunds  
12 pursuant to or in the manner prescribed by section 77-1736.06.

13 Sec. 18. Section 79-1018.01, Revised Statutes Cumulative  
14 Supplement, 2010, is amended to read:

15 79-1018.01 Except as otherwise provided in this section,  
16 local system formula resources include other actual receipts  
17 available for the funding of general fund operating expenditures  
18 as determined by the department for the second school fiscal  
19 year immediately preceding the school fiscal year in which aid  
20 is to be paid. Receipts from the Community Improvements Cash Fund  
21 and receipts acquired pursuant to the Low-Level Radioactive Waste  
22 Disposal Act shall not be included. Other actual receipts include:

- 23 (1) Public power district sales tax revenue;  
24 (2) Fines and license fees;  
25 (3) Tuition receipts from individuals, other districts,  
26 or any other source except receipts derived from adult education,  
27 receipts derived from summer school tuition, receipts derived

1 from early childhood education tuition, tuition receipts from  
2 converted contracts beginning with the calculation of state aid to  
3 be distributed in school fiscal year 2011-12, and receipts from  
4 educational entities as defined in section 79-1201.01 for providing  
5 distance education courses through the ~~Distance Education Council~~  
6 ~~until July 1, 2008,~~ and the Educational Service Unit Coordinating  
7 Council ~~on and after July 1, 2008,~~ to such educational entities;

8 (4) Transportation receipts;

9 (5) Interest on investments;

10 (6) Other miscellaneous noncategorical local receipts,  
11 not including receipts from private foundations, individuals,  
12 associations, or charitable organizations;

13 (7) Special education receipts;

14 (8) Special education receipts and non-special education  
15 receipts from the state for wards of the court and wards of the  
16 state;

17 (9) All receipts from the temporary school fund.  
18 ~~Beginning with the calculation of aid for school fiscal year~~  
19 ~~2002-03 and each school fiscal year thereafter,~~ Receipts  
20 from the temporary school fund shall only include (a) receipts  
21 pursuant to section 79-1035, to the extent that such receipts for  
22 the calculation of aid for school fiscal year 2018-19 and each  
23 school fiscal year thereafter are not returned to the temporary  
24 school fund pursuant to section 79-309.01, and (b) the receipt of  
25 funds pursuant to section 79-1036 for property leased for a public  
26 purpose as set forth in subdivision (1)(a) of section 77-202;

27 (10) Motor vehicle tax receipts received; ~~on or after~~

1 ~~January 1, 1998,~~

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

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

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

8 (14) All other noncategorical federal receipts;

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

11 (16) Receipts under the federal Medicare Catastrophic  
12 Coverage Act of 1988, as such act existed on May 8, 2001, as  
13 authorized pursuant to sections 43-2510 and 43-2511 but only to the  
14 extent of the amount the local system would have otherwise received  
15 pursuant to the Special Education Act;

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

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

20 Sec. 19. Section 79-1023, Revised Statutes Cumulative  
21 Supplement, 2010, as amended by section 8, Legislative Bill 18,  
22 One Hundred Second Legislature, First Session, 2011, is amended to  
23 read:

24 79-1023 (1) On or before March 10, 2010, on or before  
25 July 1, 2011, and on or before March 1 of each year thereafter,  
26 the department shall determine and certify to each school  
27 district budget authority for the maximum general fund budget of

1 expenditures minus the special education budget of expenditures for  
2 the immediately following school fiscal year.

3 (2) ~~Except~~ For school fiscal years prior to school  
4 fiscal year 2011-12, except as provided in section 79-1028.01, no  
5 school district shall have a general fund budget of expenditures  
6 minus special grant funds and the special education budget of  
7 expenditures more than the greater of (a) the product of the  
8 difference of the general fund budget of expenditures minus special  
9 grant funds and the special education budget of expenditures  
10 for the immediately preceding school fiscal year multiplied by  
11 (i) except as otherwise provided in subdivision (a)(ii) of this  
12 subsection, the sum of one plus the local system's applicable  
13 allowable growth rate or (ii) for school fiscal year 2010-11, the  
14 sum of one plus seventy-five hundredths of one percent plus the  
15 local system's applicable allowable growth rate or (b)(i) except as  
16 otherwise provided in subdivision (b)(ii) of this subsection, the  
17 difference of one hundred twenty percent of formula need for such  
18 school fiscal year minus the product of the sum of one plus the  
19 basic allowable growth rate for such school fiscal year multiplied  
20 by the special education budget of expenditures as filed on the  
21 school district budget statement on or before September 20 for  
22 the immediately preceding school fiscal year or (ii) for school  
23 fiscal years 2009-10 and 2010-11, the difference of one hundred  
24 sixteen and fifteen-hundredths percent of formula need for such  
25 school fiscal year minus the product of the sum of one plus the  
26 basic allowable growth rate for such school fiscal year multiplied  
27 by the special education budget of expenditures as filed on the

1 school district budget statement on or before September 20 for the  
2 immediately preceding school fiscal year.

3 (3) For school fiscal year 2011-12, except as provided in  
4 sections 79-1028.01, 79-1029, and 79-1030, no school district shall  
5 have budget authority for a general fund budget of expenditures  
6 minus special grant funds and the special education budget of  
7 expenditures more than the greater of (a) the general fund  
8 budget of expenditures minus the sum of special grant funds, the  
9 special education budget of expenditures, and exceptions pursuant  
10 to subsection (1) of section 79-1028.01 for school fiscal year  
11 2010-11 with the difference increased by an amount equal to one  
12 and one hundred fifteen thousandths percent of the formula need  
13 calculated for school fiscal year 2010-11, (b) the general fund  
14 budget of expenditures minus the sum of special grant funds, the  
15 special education budget of expenditures, and exceptions pursuant  
16 to subsection (1) of section 79-1028.01 for school fiscal year  
17 2010-11 with the difference increased by an amount equal to  
18 any student growth adjustment calculated for school fiscal year  
19 2011-12, or (c) one hundred ten percent of formula need for  
20 school fiscal year 2011-12 minus the special education budget  
21 of expenditures as filed on the school district budget statement  
22 on or before September 20 for school fiscal year 2010-11, which  
23 special education budget of expenditures is increased by the basic  
24 allowable growth rate for school fiscal year 2011-12.

25 (4) For school fiscal year 2012-13 and each school  
26 fiscal year thereafter, except as provided in sections 79-1028.01,  
27 79-1029, and 79-1030, no school district shall have budget

1 authority for a general fund budget of expenditures minus special  
2 grant funds and the special education budget of expenditures more  
3 than the greater of (a) the general fund budget of expenditures  
4 minus the sum of special grant funds, the special education budget  
5 of expenditures, and exceptions pursuant to subsection (1) of  
6 section 79-1028.01 for the immediately preceding school fiscal year  
7 with the difference increased by the basic allowable growth rate,  
8 (b) the general fund budget of expenditures minus the sum of  
9 special grant funds, the special education budget of expenditures,  
10 and exceptions pursuant to subsection (1) of section 79-1028.01 for  
11 the immediately preceding school fiscal year with the difference  
12 increased by an amount equal to any student growth adjustment  
13 calculated for the school fiscal year for which the calculation  
14 is being made, or (c) one hundred ten percent of formula need for  
15 the school fiscal year for which the calculation is being made  
16 minus the special education budget of expenditures as filed on the  
17 school district budget statement on or before September 20 for the  
18 immediately preceding school fiscal year, which special education  
19 budget of expenditures is increased by the basic allowable growth  
20 rate for the school fiscal year for which the calculation is being  
21 made.

22 (5) For any school fiscal year for which the budget  
23 authority for a school district is based on a student growth  
24 adjustment, the budget authority for such school district shall be  
25 adjusted in future years to reflect any student growth adjustment  
26 corrections related to such student growth adjustment.

27 Sec. 20. Section 79-1025, Reissue Revised Statutes of



1 Nebraska, is amended to read:

2           79-1025 The basic allowable growth rate for general fund  
3 expenditures other than expenditures for special education shall  
4 be the base limitation established under section 77-3446. ~~and~~  
5 ~~the allowable growth range shall be from the base limitation to~~  
6 ~~three percent above the base limitation.~~ The budget authority for  
7 special education for all classes of school districts shall be the  
8 actual anticipated expenditures for special education subject to  
9 the approval of the state board. Such budget authority and funds  
10 generated pursuant to such budget authority shall be used only for  
11 special education expenditures.

12           Sec. 21. Section 79-1028.01, Revised Statutes Cumulative  
13 Supplement, 2010, is amended to read:

14           79-1028.01 (1) For each school fiscal year, a school  
15 district may exceed its ~~maximum general fund budget of expenditures~~  
16 ~~minus the special education budget of expenditures~~ budget authority  
17 as calculated pursuant to section 79-1023 for such school fiscal  
18 year by a specific dollar amount for:

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

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

27           (c) Expenditures pursuant to the Retirement Incentive

1 Plan authorized in section 79-855 or the Staff Development  
2 Assistance authorized in section 79-856;

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

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

10 ~~(f) Either (i) the first and second school fiscal years~~  
11 ~~the district will be participating in Network Nebraska for the~~  
12 ~~full school fiscal year or (ii) school fiscal year 2008-09, if~~  
13 ~~the school district participated in Network Nebraska for all of~~  
14 ~~school fiscal year 2007-08, for the difference of the estimated~~  
15 ~~expenditures for such school fiscal year for telecommunications~~  
16 ~~services, access to data transmission networks that transmit data~~  
17 ~~to and from the school district, and the transmission of data on~~  
18 ~~such networks as such expenditures are defined by the department~~  
19 ~~for purposes of the distance education and telecommunications~~  
20 ~~allowance minus the dollar amount of such expenditures for the~~  
21 ~~second school fiscal year preceding the first full school fiscal~~  
22 ~~year the district participates in Network Nebraska;~~

23 ~~(g) (e) Expenditures to pay another school district for~~  
24 ~~the transfer of land from such other school district;~~

25 ~~(h) (f) Expenditures in school fiscal years 2009-10~~  
26 ~~through 2013-14 to pay for employer contributions pursuant to~~  
27 ~~subsection (2) of section 79-958 to the School Retirement System~~

1 of the State of Nebraska to the extent that such expenditures  
2 exceed the employer contributions under such subsection that would  
3 have been made at a contribution rate of seven and thirty-five  
4 hundredths percent;

5 ~~(i)~~ (g) Expenditures in school fiscal years 2009-10  
6 through 2013-14 to pay for school district contributions pursuant  
7 to subdivision (1)(c)(i) of section 79-9,113 to the Class V School  
8 Employees Retirement System to the extent that such expenditures  
9 exceed the school district contributions under such subdivision  
10 that would have been made at a contribution rate of seven and  
11 thirty-seven hundredths percent;

12 ~~(j)~~ (h) Expenditures for sums agreed to be paid by  
13 a school district to certificated employees in exchange for a  
14 voluntary termination occurring prior to July 1, 2009 or occurring  
15 on or after July 1, 2011, and on or before June 30, 2013; and

16 ~~(k)~~ Expenditures for new elementary attendance sites in  
17 the first year of operation or the first year of operation after  
18 being closed for at least one school year if such elementary  
19 attendance site will most likely qualify for the elementary site  
20 allowance in the immediately following school fiscal year as  
21 determined by the state board; and

22 ~~(l)~~ (i) Any expenditures in school fiscal years 2016-17  
23 and 2017-18 of amounts specified in the notice provided by the  
24 Commissioner of Education pursuant to section 79-309.01 for teacher  
25 performance pay.

26 (2) For each school fiscal year, a school district may  
27 exceed its budget authority as calculated pursuant to section

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

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

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

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

25 ~~(2)~~ (3) The state board shall approve, deny, or modify  
26 the amount allowed for any exception to the maximum general fund  
27 budget of expenditures minus the special education budget of

1 expenditures pursuant to this section.

2           Sec. 22. Section 79-1029, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           79-1029 ~~(1)~~ For school fiscal years prior to school  
5 fiscal year 2008-09, a Class II, III, IV, V, or VI district  
6 may exceed the basic allowable growth rate prescribed in section  
7 79-1025 upon an affirmative vote of at least seventy-five percent  
8 of the board. The total growth shall not exceed the applicable  
9 allowable growth rate certified for the local system under section  
10 79-1026 plus one percent. The vote shall be taken at a public  
11 meeting of the board following a special public hearing called for  
12 the purpose of receiving testimony on such proposed increase. The  
13 board shall give at least five calendar days' notice of such public  
14 hearing and shall publish such notice at least once in a newspaper  
15 of general circulation in the local system.

16           ~~(2)~~ For school fiscal years prior to school fiscal year  
17 2008-09, a Class II, III, IV, V, or VI district may exceed the  
18 applicable allowable growth rate prescribed in section 79-1026 by  
19 an amount approved by a majority of legal voters voting on the  
20 issue at a primary, general, or special election called for such  
21 purpose upon the recommendation of the board or upon the receipt by  
22 the county clerk or election commissioner of a petition requesting  
23 an election signed by at least five percent of the legal voters of  
24 the district. The recommendation of the board or the petition of  
25 the legal voters shall include the amount and percentage by which  
26 the board would increase its general fund budget of expenditures  
27 for the ensuing school year over and above the current year's

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

10           ~~(3) For school fiscal year 2008-09 and each school fiscal~~  
11 ~~year thereafter, a A Class II, III, IV, V, or VI district may~~  
12 ~~exceed the maximum general fund budget of expenditures minus the~~  
13 ~~special education budget of expenditures prescribed in section~~  
14 ~~79-1023 by an amount approved by a majority of legal voters voting~~  
15 ~~on the issue at a primary, general, or special election called~~  
16 ~~for such purpose upon the recommendation of the board or upon the~~  
17 ~~receipt by the county clerk or election commissioner of a petition~~  
18 ~~requesting an election, signed by at least five percent of the~~  
19 ~~legal voters of the district. The recommendation of the board or~~  
20 ~~the petition of the legal voters shall include the amount by which~~  
21 ~~the board would increase its general fund budget of expenditures~~  
22 ~~for the ensuing school year over and above the maximum general~~  
23 ~~fund budget of expenditures minus the special education budget of~~  
24 ~~expenditures prescribed in section 79-1023. The county clerk or~~  
25 ~~election commissioner shall place the question on the primary or~~  
26 ~~general election ballot or call for a special election on the~~  
27 ~~issue after the receipt of such board recommendation or legal voter~~

1 petition. The election shall be held pursuant to the Election Act  
2 or section 77-3444, and all costs for a special election shall  
3 be paid by the district. A vote to exceed the maximum general  
4 fund budget of expenditures minus the special education budget of  
5 expenditures may be approved on the same question as a vote to  
6 exceed the levy limits provided in section 77-3444.

7 Sec. 23. Section 79-1030, Revised Statutes Cumulative  
8 Supplement, 2010, is amended to read:

9 79-1030 A Class II, III, IV, V, or VI district may choose  
10 not to increase its general fund budget of expenditures by the full  
11 amount of budget authority as calculated pursuant to ~~sections~~  
12 ~~79-1023 and 79-1026.01.~~ section 79-1023. In such cases, the  
13 department shall calculate the amount of unused budget authority  
14 which shall be carried forward to future budget years. The amount  
15 of unused budget authority that may be used by a district in a  
16 single school fiscal year to increase its general fund budget of  
17 expenditures above the budget authority as calculated pursuant to  
18 section 79-1023 shall be limited to two percent of the difference  
19 of general fund budget of expenditures minus the sum of special  
20 grant funds, the special education budget of expenditures, and  
21 exceptions pursuant to subsection (1) of section 79-1028.01 for  
22 the immediately preceding school fiscal year. ~~so a Class II, III,~~  
23 ~~IV, V, or VI district may increase its general fund budget of~~  
24 ~~expenditures in future budget years by the amount of such total~~  
25 ~~unused budget authority.~~

26 Sec. 24. Section 79-1103, Revised Statutes Cumulative  
27 Supplement, 2010, is amended to read:

1                   79-1103 (1)(a) The State Department of Education shall  
2 establish and administer the Early Childhood Education Grant  
3 Program. Upon the effective date of an endowment agreement,  
4 administration of the Early Childhood Education Grant Program  
5 with respect to programs for children from birth to age three  
6 shall transfer to the board of trustees. If there is no endowment  
7 agreement in effect, the department shall request proposals in  
8 accordance with this section for all early childhood education  
9 programs from school districts, individually or in cooperation  
10 with other school districts or educational service units, working  
11 in cooperation with existing nonpublic programs which meet the  
12 requirements of subsection (2) of section 79-1104. If there is  
13 an endowment agreement in effect, the board of trustees shall  
14 administer the Early Childhood Education Grant Program with respect  
15 to programs for children from birth to age three pursuant to  
16 section 79-1104.02 and the department shall continue to administer  
17 the Early Childhood Education Grant Program with respect to  
18 other prekindergarten programs pursuant to sections 79-1101 to  
19 79-1104.05. All administrative procedures of the board of trustees,  
20 including, but not limited to, rules, grant applications, and  
21 funding mechanisms, shall harmonize with those established by the  
22 department for other prekindergarten programs.

23                   (b) The first priority shall be for (i) continuation  
24 grants for programs that received grants in the prior school  
25 fiscal year and for which the state aid calculation pursuant to  
26 the Tax Equity and Educational Opportunities Support Act does not  
27 include early childhood education students, in an amount equal



1 to the amount of such grant, except that if the grant was a  
2 first-year grant the amount shall be reduced by thirty-three  
3 percent, (ii) continuation grants for programs for which the  
4 state aid calculation pursuant to the act includes early childhood  
5 education students, in an amount equal to the amount of the grant  
6 for the school fiscal year prior to the first school fiscal year  
7 for which early childhood education students were included in the  
8 state aid calculation for the school district's local system minus  
9 the calculated state aid amount, and (iii) for school fiscal year  
10 2007-08, continuation grants for programs for which the state aid  
11 calculation pursuant to the act includes early childhood education  
12 students, but such state aid calculation does not result in the  
13 school district receiving any equalization aid, in an amount equal  
14 to the amount of the grant received in school fiscal year 2006-07.  
15 The calculated state aid amount shall be calculated by multiplying  
16 the basic funding per formula student for the school district by  
17 the formula students attributed to the early childhood education  
18 programs pursuant to the Tax Equity and Educational Opportunities  
19 Support Act.

20 (c) The second priority shall be for new grants and  
21 expansion grants for programs that will serve at-risk children who  
22 will be eligible to attend kindergarten the following school year.  
23 New grants may be given for up to three years in an amount up to  
24 one-half of the total budget of the program per year. Expansion  
25 grants may be given for one year in an amount up to one-half  
26 of the budget for expanding the capacity of the program to serve  
27 additional children.

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

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

25           (2) Each program proposal which is approved by the  
26 department shall include (a) a planning period, (b) an agreement  
27 to participate in periodic evaluations of the program to be

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

1 sensitivity to the economic and logistical needs and circumstances  
2 of families in the provision of services, (o) integration of  
3 children of diverse social and economic characteristics, (p)  
4 a sound evaluation component, including at least one objective  
5 measure of child performance and progress, (q) continuity with  
6 programs in kindergarten and elementary grades, (r) instructional  
7 hours that are similar to or less than the instructional hours  
8 for kindergarten except that a summer session may be offered,  
9 (s) well-defined language development and early literacy emphasis,  
10 including the involvement of parents in family literacy activities,  
11 (t) a plan for ongoing professional development of staff, and (u)  
12 inclusion of children with disabilities as defined in the Special  
13 Education Act, all as specified by rules and regulations of the  
14 department in accordance with sound early childhood educational  
15 practice.

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

18 (4) A report evaluating the programs shall be made to the  
19 State Board of Education and the Legislature by January 1 of each  
20 odd-numbered year. Up to five percent of the total appropriation  
21 for the Early Childhood Education Grant Program may be reserved  
22 by the department for evaluation and technical assistance for the  
23 programs.

24 (5) Early childhood education programs, whether  
25 established pursuant to this section or section 79-1104, may  
26 be approved for purposes of the Tax Equity and Educational  
27 Opportunities Support Act, expansion grants, and continuation

1 grants on the submission of a continuation plan demonstrating  
2 that the program will meet the requirements of subsection (2) of  
3 this section and a proposed operating budget demonstrating that  
4 the program will receive resources from other sources equal to  
5 or greater than the sum of any grant received pursuant to this  
6 section for the prior school year plus any calculated state aid  
7 as calculated pursuant to subsection (1) of this section for the  
8 prior school year.

9           (6) The State Board of Education may adopt and promulgate  
10 rules and regulations to implement the Early Childhood Education  
11 Grant Program, except that if there is an endowment agreement  
12 in effect, the board of trustees shall recommend any rules and  
13 regulations relating specifically to the Early Childhood Education  
14 Grant Program with respect to programs for children from birth to  
15 age three. It is the intent of the Legislature that the rules and  
16 regulations for programs for children from birth to age three be  
17 consistent to the greatest extent possible with those established  
18 for other prekindergarten programs.

19           Sec. 25. Original sections 79-413, 79-536, 79-1008.02,  
20 79-1009, 79-1015.01, 79-1025, and 79-1029, Reissue Revised Statutes  
21 of Nebraska, sections 77-3446, 79-1003.01, 79-1005.01, 79-1007.10,  
22 79-1007.11, 79-1007.16, 79-1007.18, 79-1017.01, 79-1018.01,  
23 79-1028.01, 79-1030, and 79-1103, Revised Statutes Cumulative  
24 Supplement, 2010, and sections 79-1001, 79-1003, 79-1008.01, and  
25 79-1023, Revised Statutes Cumulative Supplement, 2010, as amended  
26 by sections 1, 2, 5, and 8, respectively, Legislative Bill 18, One  
27 Hundred Second Legislature, First Session, 2011, are repealed.

1                   Sec. 26. The following sections are outright repealed:  
2 Sections 79-1005.02, 79-1007.01, 79-1007.02, 79-1010, 79-1026,  
3 79-1028, and 79-1083.03, Reissue Revised Statutes of Nebraska,  
4 sections 79-1007.19 and 79-1007.24, Revised Statutes Cumulative  
5 Supplement, 2010, and section 79-1026.01, Revised Statutes  
6 Cumulative Supplement, 2010, as amended by section 9, Legislative  
7 Bill 18, One Hundred Second Legislature, First Session, 2011.

8                   Sec. 27. Since an emergency exists, this act takes effect  
9 when passed and approved according to law.