

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 616

Introduced by Larson, 40; Schilz, 47.

Read first time January 21, 2015

Committee: Education

- 1 A BILL FOR AN ACT relating to schools; to amend sections 13-903 and
- 2 79-978, Reissue Revised Statutes of Nebraska, and section 48-801,
- 3 Revised Statutes Cumulative Supplement, 2014; to adopt the
- 4 Independent Public Schools Act; to harmonize provisions; and to
- 5 repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 19 of this act shall be known and may be
2 cited as the Independent Public Schools Act.

3 Sec. 2. The Legislature finds that independent public schools: (1)
4 Improve student learning by creating more high-performing schools with
5 high standards for student performance; (2) encourage the use of
6 different, high-quality models of teaching, governing, scheduling, or
7 other aspects of schooling that meet a variety of student needs; (3)
8 close achievement gaps between high-performing and low-performing groups
9 of public school students; (4) allow schools freedom and flexibility in
10 exchange for exceptional levels of results-driven accountability; (5)
11 increase high-quality educational opportunities within the public
12 education system for all students, especially those at risk of academic
13 failure; and (6) provide students, parents, community members, and local
14 entities with expanded opportunities for involvement in the public
15 education system.

16 Sec. 3. For purposes of the Independent Public Schools Act,
17 independent public school means a public school located in a city of the
18 metropolitan class which operates under a compact granted by the State
19 Board of Education, operates independently of any school board or board
20 of education as defined in section 79-101, and is managed by a board of
21 trustees. Upon receiving a compact from the State Board of Education, an
22 independent public school shall be deemed a political subdivision and its
23 board of trustees authorized to supervise and control the independent
24 public school.

25 Sec. 4. Persons or entities eligible to submit an application to
26 establish an independent public school include, but are not limited to,
27 teachers, parents, school administrators, community residents, public
28 organizations, or nonprofit organizations or a combination thereof. The
29 application may be filed in conjunction with a college, a university, a
30 museum, or another similar entity. Denominational and parochial schools
31 and schools which elect pursuant to section 79-1601 not to meet

1 accreditation or approval requirements are not eligible to submit an
2 application to establish an independent public school.

3 Sec. 5. (1) The State Board of Education shall establish by rule
4 and regulation the requirements for receiving a compact to operate an
5 independent public school. Such rules and regulations shall include, but
6 not be limited to, the following:

7 (a) An independent public school shall be located in a city of the
8 metropolitan class;

9 (b) An independent public school shall be open to all students on a
10 space-available basis and shall not discriminate on the basis of race,
11 color, national origin, creed, sex, ethnicity, sexual orientation, mental
12 or physical disability, age, ancestry, athletic performance, special
13 needs, proficiency in the English language, or academic achievement;

14 (c) An independent public school may limit enrollment to specific
15 grade levels or areas of focus of the school, such as mathematics,
16 science, or the arts;

17 (d) No admission fee or tuition shall be charged to apply to or
18 attend an independent public school; and

19 (e) Such other requirements as the state board deems necessary.

20 (2) An application to establish an independent public school shall
21 be submitted each year no later than January 15.

22 Such application shall include, but not be limited to:

23 (a) The name of the applicant or applicants;

24 (b) A description of the proposed independent public school's
25 organizational structure and governing body;

26 (c) A financial plan for the first year of operation;

27 (d) A description of the independent public school's physical plant
28 and location;

29 (e) A description of the grade levels to be included in the
30 independent public school;

31 (f) A description of the proposed curriculum;

1 (g) A mission statement and a vision statement for the school;

2 (h) The student achievement goals for the school's educational
3 program and the chosen methods of evaluating whether students have
4 attained the skills and knowledge specified for those goals;

5 (i) The school's plan for using external, internal, and state-
6 required assessments to measure student progress and how the school will
7 use data to drive instruction and continued school improvement;

8 (j) Plans and timelines for student recruitment, enrollment, and
9 lottery policies and procedures for the school;

10 (k) A draft handbook that outlines the personnel policies of the
11 school, including the criteria to be used in the hiring of qualified
12 teachers, school administrators, and other school employees, a
13 description of staff responsibilities, and the school's plan to evaluate
14 personnel on an annual basis;

15 (l) A draft of the policies and procedures by which students,
16 including students with disabilities, may be disciplined which shall be
17 consistent with the requirements of due process and with the Special
18 Education Act, other state and federal laws and regulations relating to
19 the placement of students with disabilities, and the Student Discipline
20 Act;

21 (m) A description of the health and food services to be provided to
22 students attending the school;

23 (n) Policies, methods, and strategies for serving students with
24 disabilities in compliance with the Special Education Act and all federal
25 laws and regulations relating thereto;

26 (o) Procedures to be followed in the case of the closure or
27 dissolution of the independent public school, including provisions for
28 the transfer of students and student records to the school district in
29 which the independent public school is located or to another independent
30 public school located within the school district;

31 (p) A code of ethics for the independent public school, setting

1 forth for its board of trustees and employees the standards of conduct
2 expected of them;

3 (q) Plans for recruiting and developing staff;

4 (r) A staffing chart for the school's first year and a staffing
5 chart for the term of the compact;

6 (s) Opportunities for parental and community involvement in the
7 school, including the role of parents in the administration and
8 governance of the school;

9 (t) The school's plan for identifying and successfully serving
10 students with disabilities, students who are English language learners,
11 bilingual students, students who are academically behind grade level, and
12 students who are learners with high ability as defined in section
13 79-1107, including, but not limited to, the school's plan for compliance
14 with all applicable federal and state laws, rules, and regulations; and

15 (u) A detailed start-up plan, including tasks, timelines, and
16 individuals responsible for carrying out the plan.

17 (3)(a) In deciding whether to approve an application, the state
18 board shall: (i) Approve only applications submitted by applicants that
19 have demonstrated competence in all elements of the application
20 requirements; (ii) base decisions on documented evidence collected
21 through the application review process; and (iii) follow policies and
22 practices that are transparent, based on merit, and avoid conflicts of
23 interest.

24 (b) The state board shall review the application and make the final
25 determination on granting or denying a compact no later than sixty days
26 after receiving the application. The application review process shall
27 include a thorough evaluation of each application, an in-person interview
28 with the applicant group, and an opportunity in a public forum for local
29 residents to provide input and learn about the application. An initial
30 compact shall be for a term of five years and may be renewed for
31 successive five-year periods. The state board may condition the grant of

1 a compact on the school's taking certain actions or maintaining certain
2 conditions. The state board shall make the decision to approve or deny
3 the application in an open meeting.

4 Sec. 6. The Independent Public Schools pilot program is created.
5 The pilot program shall provide for the approval of not more than five
6 independent public schools, to operate in a city of the metropolitan
7 class. The State Board of Education shall review the pilot program after
8 five years, and the state board shall decide whether or not to renew the
9 compacts of the independent public schools operating pursuant to the
10 pilot program. Such decisions shall be based on the criteria listed in
11 subsection (3) of section 5 of this act. Compact renewals shall be for
12 the time period described in such subsection.

13 Sec. 7. (1) Application for renewal of a compact shall be submitted
14 to the State Board of Education by the board of trustees of an
15 independent public school no later than six months prior to the
16 expiration of the compact unless a different date is agreed upon by the
17 boards. A renewal application shall include:

18 (a) A report of the progress of the school in achieving the
19 educational objectives set forth in the application;

20 (b) A report of the progress of the school in meeting the goals of
21 the academic performance framework in the application;

22 (c) A detailed financial statement that discloses the costs of
23 administration, instruction, and other spending categories for the school
24 that will allow a comparison of the costs to other schools. The financial
25 statement shall be in the form prescribed by the Commissioner of
26 Education;

27 (d) Copies of each of the annual reports of the school; and

28 (e) Indicators of parent and student satisfaction.

29 (2) In making a renewal decision, the state board shall base its
30 decision on evidence of the performance of the school over the term of
31 the compact and shall ensure that data used in making the decision is

1 available to the school and the public.

2 Sec. 8. The State Board of Education may, after notice and a
3 hearing, place an independent public school on probation based upon
4 performance-based data and evidence. An independent public school placed
5 on probation may submit a remedial action plan to the state board
6 describing the actions the school and its board of trustees will
7 implement to correct the problems described in the notice and at the
8 hearing. If, after one calendar year following submission, the remedial
9 action plan has not been implemented or in the opinion of the state board
10 has not succeeded in solving such problems, the state board may summarily
11 revoke the compact. The state board shall develop procedures and
12 guidelines for revocation and renewal of an independent public school's
13 compact.

14 Sec. 9. An independent public school established pursuant to the
15 Independent Public Schools Act shall be a body politic and corporate with
16 all powers necessary or desirable for carrying out its compact,
17 including, but not limited to, the following:

18 (1) To adopt a name and corporate seal, except that any name
19 selected must include the words independent public school;

20 (2) To sue and be sued as provided in the Political Subdivisions
21 Tort Claims Act;

22 (3) To acquire real property from public or private sources by
23 lease, lease with an option to purchase, or by gift for use as a school
24 facility;

25 (4) To receive and disburse funds for school purposes;

26 (5) To make contracts and leases for the procurement of services,
27 equipment, and supplies, except that if the board of trustees intends to
28 procure substantially all educational services under contract with
29 another person, the terms of such a contract shall be approved by the
30 Commissioner of Education, either as part of the original compact or by
31 way of an amendment thereto. The commissioner shall not approve any such

1 contract terms, the purpose or effect of which is to avoid the
2 prohibition of the Independent Public Schools Act against operation of an
3 independent public school by a denominational or parochial school or a
4 school which elects pursuant to section 79-1601 not to meet accreditation
5 or approval requirements;

6 (6) To incur temporary debt in anticipation of receipt of funds;

7 (7) To solicit and accept any grants or gifts for school purposes;
8 and

9 (8) To have such other powers available to a corporation formed
10 under the Nebraska Nonprofit Corporation Act that are not inconsistent
11 with the Independent Public Schools Act.

12 Sec. 10. No tuition and no fees pursuant to the Public Elementary
13 and Secondary Student Fee Authorization Act shall be charged for any
14 student attending an independent public school. Preference for enrollment
15 in an independent public school shall be given to students who reside in
16 the city of the metropolitan class in which the school is located. If the
17 total number of students who are eligible to apply to and attend an
18 independent public school who reside in such city plus siblings of
19 students already attending the school is greater than the number of
20 spaces available, the independent public school shall conduct an
21 admission lottery to fill all of the spaces in that school from among
22 such students.

23 Sec. 11. A student may withdraw from an independent public school
24 at any time and enroll (a) in the school district in which the student
25 resides, (b) in an option school district pursuant to the enrollment
26 option program established under sections 79-234 to 79-246, or (c) in a
27 private, denominational, or parochial school or a school which elects
28 pursuant to section 79-1601 not to meet accreditation or approval
29 requirements. A student may be expelled from an independent public school
30 in accordance with the provisions of the Student Discipline Act.

31 Sec. 12. An independent public school may be located in all or part

1 of an existing public school building, in space provided on a private
2 work site, in a public building, or in any other suitable location. An
3 independent public school may own, lease, or rent its space.

4 Sec. 13. (1) An independent public school shall operate in
5 accordance with its compact, the fire and life safety provisions of law
6 applicable to public schools in Nebraska, and the performance, testing,
7 and assessment requirements of the Quality Education Accountability Act.

8 (2) Employees of an independent public school shall be considered
9 employees of a political subdivision for purposes of the Political
10 Subdivisions Tort Claims Act. A board of trustees of an independent
11 public school shall be considered a governing body for purposes of the
12 Political Subdivisions Tort Claims Act.

13 (3) The Class V School Employees Retirement Act shall apply to
14 employees of an independent public school.

15 (4) Each school board or board of education shall grant a leave of
16 absence to any teacher employed by the school district requesting such
17 leave in order to teach in an independent public school. A teacher may
18 request a leave of absence for such purpose for a maximum of two years.
19 At the end of the two-year period, the teacher may (a) make a request to
20 the school board or board of education of the school district that such
21 leave be extended for an additional two years, which approval shall not
22 be unreasonably withheld, or (b) he or she may return to his or her
23 employment with such school district and be entitled to all retirement
24 and other benefits earned during his or her previous employment with such
25 district. If such request is granted, at the end of the fourth year the
26 teacher may either return to employment with such school district or, if
27 he or she chooses to continue teaching at the independent public school,
28 resign from the school district.

29 Sec. 14. The board of trustees of an independent public school
30 shall oversee implementation of the school's curriculum as described in
31 the application and develop the school's annual budget.

1 Sec. 15. The Class V school district in which an independent public
2 school is located shall provide transportation to the independent public
3 school for students living in such school district who attend the
4 independent public school, on the same terms and conditions as
5 transportation is provided to students attending the public schools of
6 such school district. Students attending the independent public school
7 who do not reside in the Class V school district in which the school is
8 located shall be eligible for transportation as provided for students
9 pursuant to the option enrollment program established under sections
10 79-234 to 79-246.

11 Sec. 16. (1) Each independent public school shall submit an annual
12 report to the State Board of Education, to each parent or guardian of its
13 enrolled students, and to any other person on request. The annual report
14 shall be issued no later than November 1 of each year for the preceding
15 school year. The annual report shall be in such form as may be prescribed
16 by the state board and shall include at least the following components:

17 (a) A discussion of progress made toward the achievement of the
18 goals set forth in the compact; and

19 (b) A financial statement setting forth by appropriate categories
20 the revenue and expenditures for the year just ended.

21 (2) The State Department of Education shall post each independent
22 public school's annual report on the department's web site.

23 Sec. 17. An individual or a group may file a complaint with an
24 independent public school's board of trustees concerning any claimed
25 violation of the Independent Public Schools Act by an independent public
26 school. If, after presenting such complaint to the trustees, the
27 individual or group believes the complaint has not been adequately
28 addressed, they may submit the complaint to the Commissioner of Education
29 who shall investigate such complaint and make a formal response.

30 Sec. 18. (1) The school district of residence of each student
31 attending an independent public school shall annually pay to the

1 independent public school an amount equal to the school district's actual
2 per pupil cost for the preceding fiscal year times the number of students
3 residing in such district who attend such independent public school. The
4 State Department of Education shall calculate such actual per pupil cost
5 based upon information submitted by the school district. Such payments
6 shall be made within thirty days after the beginning of the district's
7 school fiscal year.

8 (2) When a student withdraws or is expelled from an independent
9 public school during the school year of the school district of residence,
10 the independent public school shall reimburse the school district of
11 residence, for each withdrawing or expelled student, a pro rata amount of
12 the payment under subsection (1) of this section, based on the number of
13 complete months remaining in the school year of the school district of
14 residence.

15 Sec. 19. An independent public school is part of the state's system
16 of public education, except that it is exempt from all statutes, rules,
17 and regulations applicable to public schools as defined in section 79-101
18 unless specifically provided otherwise in the Independent Public Schools
19 Act. The board of trustees of an independent public school may
20 voluntarily elect to have the school comply with such statutes, rules,
21 and regulations.

22 Sec. 20. The State Board of Education may adopt and promulgate
23 rules and regulations to carry out the Independent Public Schools Act.

24 Sec. 21. Section 13-903, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 13-903 For purposes of the Political Subdivisions Tort Claims Act
27 and sections 16-727, 16-728, 23-175, 39-809, and 79-610, unless the
28 context otherwise requires:

29 (1) Political subdivision shall include villages, cities of all
30 classes, counties, school districts, learning communities, independent
31 public schools, public power districts, and all other units of local

1 government, including entities created pursuant to the Interlocal
2 Cooperation Act or Joint Public Agency Act. Political subdivision shall
3 not be construed to include any contractor with a political subdivision;

4 (2) Governing body shall mean the village board of a village, the
5 city council of a city, the board of commissioners or board of
6 supervisors of a county, the board of directors of a public power
7 district, the governing board or other governing body of an entity
8 created pursuant to the Interlocal Cooperation Act or Joint Public Agency
9 Act, the board of trustees of an independent public school, and any duly
10 elected or appointed body holding the power and authority to determine
11 the appropriations and expenditures of any other unit of local
12 government;

13 (3) Employee of a political subdivision shall mean any one or more
14 officers or employees of the political subdivision or any agency of the
15 subdivision and shall include members of the governing body, duly
16 appointed members of boards or commissions when they are acting in their
17 official capacity, volunteer firefighters, and volunteer rescue squad
18 personnel. Employee shall not be construed to include any contractor with
19 a political subdivision; and

20 (4) Tort claim shall mean any claim against a political subdivision
21 for money only on account of damage to or loss of property or on account
22 of personal injury or death, caused by the negligent or wrongful act or
23 omission of any employee of the political subdivision, while acting
24 within the scope of his or her office or employment, under circumstances
25 in which the political subdivision, if a private person, would be liable
26 to the claimant for such damage, loss, injury, or death but shall not
27 include any claim accruing before January 1, 1970.

28 Sec. 22. Section 48-801, Revised Statutes Cumulative Supplement,
29 2014, is amended to read:

30 48-801 As used in the Industrial Relations Act, unless the context
31 otherwise requires:

- 1 (1) Certificated employee has the same meaning as in section 79-824;
- 2 (2) Commission means the Commission of Industrial Relations;
- 3 (3) Commissioner means a member of the commission;
- 4 (4) Governmental service means all services performed under
5 employment by the State of Nebraska or any political or governmental
6 subdivision thereof, including public corporations, municipalities, and
7 public utilities;
- 8 (5) Industrial dispute includes any controversy between public
9 employers and public employees concerning terms, tenure, or conditions of
10 employment; the association or representation of persons in negotiating,
11 fixing, maintaining, changing, or seeking to arrange terms or conditions
12 of employment; or refusal to discuss terms or conditions of employment;
- 13 (6) Instructional employee means an employee of a community college
14 who provides direct instruction to students;
- 15 (7) Labor organization means any organization of any kind or any
16 agency or employee representation committee or plan, in which public
17 employees participate and which exists for the purpose, in whole or in
18 part, of dealing with public employers concerning grievances, labor
19 disputes, wages, rates of pay, hours of employment, or conditions of
20 work;
- 21 (8) Metropolitan statistical area means a metropolitan statistical
22 area as defined by the United States Office of Management and Budget;
- 23 (9) Municipality means any city or village in Nebraska;
- 24 (10) Noncertificated and noninstructional school employee means a
25 school district, educational service unit, or community college employee
26 who is not a certificated or instructional employee;
- 27 (11) Public employee includes any person employed by a public
28 employer;
- 29 (12) Public employer means the State of Nebraska or any political or
30 governmental subdivision of the State of Nebraska except the Nebraska
31 National Guard or state militia. Public employer does not include an

1 independent public school;

2 (13) Public utility includes any person or governmental entity,
3 including any public corporation, public power district, or public power
4 and irrigation district, which carries on an intrastate business in this
5 state and over which the government of the United States has not assumed
6 exclusive regulation and control, that furnishes transportation for hire,
7 telephone service, telegraph service, electric light, heat, or power
8 service, gas for heating or illuminating, whether natural or artificial,
9 or water service, or any one or more thereof; and

10 (14) Supervisor means any public employee having authority, in the
11 interest of the public employer, to hire, transfer, suspend, lay off,
12 recall, promote, discharge, assign, reward, or discipline other public
13 employees, or responsibility to direct them, to adjust their grievances,
14 or effectively to recommend such action, if in connection with such
15 action the exercise of such authority is not of a merely routine or
16 clerical nature but requires the use of independent judgment.

17 Sec. 23. Section 79-978, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 79-978 For purposes of the Class V School Employees Retirement Act,
20 unless the context otherwise requires:

21 (1) Retirement system or system means the School Employees'
22 Retirement System of (corporate name of the school district as described
23 in section 79-405) as provided for by the act;

24 (2) Board means the board of education of the school district;

25 (3) Trustee means a trustee provided for in section 79-980;

26 (4) Employee means the following enumerated persons receiving
27 compensation from the school district: (a) Regular teachers and
28 administrators employed on a written contract basis; and (b) regular
29 employees, not included in subdivision (4)(a) of this section, hired upon
30 a full-time basis, which basis shall contemplate a workweek of not less
31 than thirty hours; and (c) employees of an independent public school

1 operating pursuant to the Independent Public Schools Act;

2 (5) Member means any employee included in the membership of the
3 retirement system or any former employee who has made contributions to
4 the system and has not received a refund;

5 (6) Annuitant means any member receiving an allowance;

6 (7) Beneficiary means any person entitled to receive or receiving a
7 benefit by reason of the death of a member;

8 (8) Membership service means service on or after September 1, 1951,
9 as an employee of the school district and a member of the system for
10 which compensation is paid by the school district. Credit for more than
11 one year of membership service shall not be allowed for service rendered
12 in any fiscal year. Beginning September 1, 2005, a member shall be
13 credited with a year of membership service for each fiscal year in which
14 the member performs one thousand or more hours of compensated service as
15 an employee of the school district. An hour of compensated service shall
16 include any hour for which the member is compensated by the school
17 district during periods where no service is performed due to vacation or
18 approved leave. If a member performs less than one thousand hours of
19 compensated service during a fiscal year, one-tenth of a year of
20 membership service shall be credited for each one hundred hours of
21 compensated service by the member in such fiscal year. In determining a
22 member's total membership service, all periods of membership service,
23 including fractional years of membership service in one-tenth-year
24 increments, shall be aggregated;

25 (9) Prior service means service rendered prior to September 1, 1951,
26 for which credit is allowed under section 79-999, service rendered by
27 retired employees receiving benefits under preexisting systems, and
28 service for which credit is allowed under sections 79-990, 79-991,
29 79-994, 79-995, and 79-997;

30 (10) Creditable service means the sum of the membership service and
31 the prior service, measured in one-tenth-year increments;

1 (11) Compensation means salary or wages payable by the school
2 district before reduction for contributions picked up under section
3 414(h) of the Internal Revenue Code, elective contributions made pursuant
4 to section 125 or 403(b) of the code, or amounts not currently includible
5 in income by reason of section 132(f)(4) of the code, subject to the
6 applicable limitations of section 401(a)(17) of the code;

7 (12) Military service means service in the uniformed services as
8 defined in 38 U.S.C. 4301 et seq., as such provision existed on March 27,
9 1997;

10 (13) Accumulated contributions means the sum of amounts contributed
11 by a member of the system together with regular interest credited
12 thereon;

13 (14) Regular interest means interest (a) on the total contributions
14 of the member prior to the close of the last preceding fiscal year, (b)
15 compounded annually, and (c) at rates to be determined annually by the
16 board, which shall have the sole, absolute, and final discretionary
17 authority to make such determination, except that the rate for any given
18 year in no event shall exceed the actual percentage of net earnings of
19 the system during the last preceding fiscal year;

20 (15) Retirement date means the date of retirement of a member for
21 service or disability as fixed by the board;

22 (16) Normal retirement date means the end of the month during which
23 the member attains age sixty-five and has completed at least five years
24 of membership service;

25 (17) Early retirement date means that month and year selected by a
26 member having at least ten years of creditable service which includes a
27 minimum of five years of membership service and who has attained age
28 fifty-five;

29 (18) Retirement allowance means the total annual retirement benefit
30 payable to a member for service or disability;

31 (19) Annuity means annual payments, for both prior service and

1 membership service, for life as provided in the Class V School Employees
2 Retirement Act;

3 (20) Actuarial tables means:

4 (a) For determining the actuarial equivalent of any annuities other
5 than joint and survivorship annuities, a unisex mortality table using
6 twenty-five percent of the male mortality and seventy-five percent of the
7 female mortality from the 1994 Group Annuity Mortality Table with a One
8 Year Setback and using an interest rate of eight percent compounded
9 annually; and

10 (b) For joint and survivorship annuities, a unisex retiree mortality
11 table using sixty-five percent of the male mortality and thirty-five
12 percent of the female mortality from the 1994 Group Annuity Mortality
13 Table with a One Year Setback and using an interest rate of eight percent
14 compounded annually and a unisex joint annuitant mortality table using
15 thirty-five percent of the male mortality and sixty-five percent of the
16 female mortality from the 1994 Group Annuity Mortality Table with a One
17 Year Setback and using an interest rate of eight percent compounded
18 annually;

19 (21) Actuarial equivalent means the equality in value of the
20 retirement allowance for early retirement or the retirement allowance for
21 an optional form of annuity, or both, with the normal form of the annuity
22 to be paid, as determined by the application of the appropriate actuarial
23 table, except that use of such actuarial tables shall not effect a
24 reduction in benefits accrued prior to September 1, 1985, as determined
25 by the actuarial tables in use prior to such date;

26 (22) Fiscal year means the period beginning September 1 in any year
27 and ending on August 31 of the next succeeding year;

28 (23) Primary beneficiary means the person or persons entitled to
29 receive or receiving a benefit by reason of the death of a member; and

30 (24) Secondary beneficiary means the person or persons entitled to
31 receive or receiving a benefit by reason of the death of all primary

1 beneficiaries prior to the death of the member. If no primary beneficiary
2 survives the member, secondary beneficiaries shall be treated in the same
3 manner as primary beneficiaries.

4 Sec. 24. Original sections 13-903 and 79-978, Reissue Revised
5 Statutes of Nebraska, and section 48-801, Revised Statutes Cumulative
6 Supplement, 2014, are repealed.