

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 813

Introduced by Bohlke, 33

Read first time January 20, 1999

Committee: Education

A BILL

1 FOR AN ACT relating to schools; to amend sections 43-2505, 48-304,
2 79-318, 79-492, 79-556, 79-557, 79-558, 79-602, 79-803,
3 79-1063, 79-1145, and 79-1188, Reissue Revised Statutes
4 of Nebraska, and sections 13-509, 72-801, 79-101, 79-472,
5 79-479, 79-4,108, 79-528, 79-540, 79-758, 79-1003,
6 79-1007.02, 79-1009, 79-1016, 79-1022, 79-1024, 79-1026,
7 79-1027, 79-1027.01, 79-1029, 79-1072.01, 79-1083.02,
8 79-1083.03, 79-1090, 79-10,110, 79-10,124, 79-1118.01,
9 79-1128, 79-1135, 79-1138, 79-1140, 79-1142, 79-1144,
10 79-1148, 79-1155, 79-1156, 79-1157, 79-1162, 79-1167,
11 79-1185, 79-11,109, 79-11,110, and 81-1108.22, Revised
12 Statutes Supplement, 1998; to change provisions relating
13 to certification of property valuation, student
14 employment certificates, boundary changes, annual and
15 special meetings, pupil transportation vehicle inspection
16 stickers, quality education incentives eligibility, net
17 option funding, state aid payments, budget restrictions

1 and reductions, temporary mitigation funds, environmental
2 hazard abatement or accessibility barrier elimination
3 levies, Class I district building funds, and election
4 statements filed by certain nonpublic schools as
5 prescribed; to define and redefine terms and eliminate
6 definitions; to provide, change, and eliminate duties of
7 the State Board of Education, the State Department of
8 Education, unified systems, school boards, and high
9 school districts; to rename the Nebraska School for the
10 Visually Handicapped; to provide for the Nebraska Center
11 for the Education of Children who are Blind or Visually
12 Impaired; to harmonize provisions; to eliminate expired
13 provisions and provisions relating to program expansion,
14 budgets, identification, and placement changes in the
15 Special Education Act and provisions relating to the
16 Nebraska School for the Deaf; to harmonize provisions; to
17 provide operative dates; to repeal the original sections;
18 to outright repeal sections 79-1141, 79-1186, 79-11,112,
19 79-11,116, 79-11,117, 79-11,118, 79-11,120, and 90-118,
20 Reissue Revised Statutes of Nebraska, and sections
21 79-1134, 79-1198, 79-11,111, 79-11,113, 79-11,114,
22 79-11,115, and 79-11,119, Revised Statutes Supplement,
23 1998; and to declare an emergency.

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

1 Section 1. Section 13-509, Revised Statutes Supplement,
2 1998, is amended to read:

3 13-509. On or before August 20 of each year, the county
4 assessor shall (a) certify to each governing body or board
5 empowered to levy or certify a tax levy the current taxable value
6 of the taxable real and personal property subject to the applicable
7 levy and (b) certify to the State Department of Education the
8 current taxable value of the taxable real and personal property
9 subject to the applicable levy for all school districts. Current
10 taxable value for real property shall mean the value established by
11 the county assessor and equalized by the county board of
12 equalization, the agricultural and horticultural land valuation
13 board, and the Tax Equalization and Review Commission. Current
14 taxable value for tangible personal property other than motor
15 vehicles shall mean the net book value reported by the taxpayer and
16 certified by the county assessor, and current taxable value for
17 motor vehicles shall mean the value certified by the county
18 assessor pursuant to section 77-1514.

19 Sec. 2. Section 43-2505, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 43-2505. For purposes of the Early Intervention Act:

22 (1) Collaborating agencies means the Department of Health
23 and Human Services and the State Department of Education;

24 (2) Developmental delay ~~means any of the disabilities~~
25 ~~described~~ has the definition found in section 79-1118.01;

26 (3) Early intervention services may include services
27 which:

28 (a) Are designed to meet the developmental needs of each

1 eligible infant or toddler with disabilities and the needs of the
2 family related to enhancing the development of their infant or
3 toddler;

4 (b) Are selected in collaboration with the parent or
5 guardian;

6 (c) Are provided in accordance with an individualized
7 family service plan;

8 (d) Meet all applicable federal and state standards; and

9 (e) Are provided, to the maximum extent appropriate, in
10 natural environments including the home and community settings in
11 which infants and toddlers without disabilities participate;

12 (4) Eligible infant or toddler with disabilities means a
13 child who needs early intervention services and is two years of age
14 or younger, except that toddlers who reach age three during the
15 school year shall remain eligible throughout that school year. The
16 need for early intervention services is established when the infant
17 or toddler experiences developmental ~~delays which means~~ or any of
18 the disabilities described in the Special Education Act;

19 (5) Federal early intervention program means the federal
20 early intervention program for infants and toddlers with
21 disabilities, 20 U.S.C. 1471 to 1485;

22 (6) Individualized family service plan means the process,
23 periodically documented in writing, of determining appropriate
24 early intervention services for an eligible infant or toddler with
25 disabilities and his or her family;

26 (7) Interagency planning team means an organized group of
27 interdisciplinary, interagency representatives, community leaders,
28 and family members in each local community or region;

1 (8) Lead agency or agencies means the Department of
2 Health and Human Services and State Department of Education and any
3 other agencies designated by the Governor for general
4 administration, supervision, and monitoring of programs and
5 activities receiving federal funds under the federal early
6 intervention program and state funds appropriated for early
7 intervention services under the Early Intervention Act;

8 (9) Nebraska Interagency Coordinating Council means the
9 state council the function of which is to advise and assist the
10 collaborating agencies in carrying out the provisions of the act.
11 The members of the council shall be appointed by the Governor and
12 shall include, but not be limited to, representatives of school
13 districts, social services, health and medical services, parents,
14 mental health services, developmental disabilities services,
15 educational service units, Head Start, higher education,
16 physicians, the Legislature, and the collaborating agencies; and

17 (10) Services coordination means a flexible process of
18 interaction facilitated by a services coordinator to assist the
19 family of an eligible infant or toddler with disabilities within a
20 community to identify and meet their needs pursuant to the ~~Early~~
21 ~~Intervention Act~~ act. Services coordination under the act shall
22 not duplicate any case management services which an eligible infant
23 or toddler with disabilities and his or her family are already
24 receiving or eligible to receive from other sources.

25 Sec. 3. Section 48-304, Reissue Revised Statutes of
26 Nebraska, is amended to read:

27 48-304. The person authorized to issue an employment
28 certificate under section 48-302 shall not issue such certificate

1 until he or she has received, examined, approved and filed the
2 following papers duly executed: (1) The school record of ~~such the~~
3 child, properly filled out and signed as provided in section
4 48-306, showing the child has completed the work of the sixth grade
5 of the public schools, or its equivalent, or is regularly attending
6 night school in compliance with section 48-308; and (2) a passport
7 or duly attested transcript of the certificate of birth or baptism,
8 or other religious or official record showing the date and place of
9 birth of such child. A duly attested transcript of the birth
10 certificate filed according to law with a registrar of vital
11 statistics, or other officer charged with the duty of recording
12 births, shall be conclusive evidence of the age of such child. The
13 affidavit of the parent, guardian, or custodian of a child shall be
14 required only in case none of ~~the~~ such documents ~~mentioned above~~
15 can be produced and filed, showing the place and date of birth of
16 such child, which affidavit must be taken before the officer
17 issuing the employment certificate. Such employment certificate
18 shall not be issued until such child has personally appeared before
19 and been examined by the officer issuing the certificate, and until
20 such officer, ~~shall,~~ after making such examination, ~~sign and file~~
21 signs and files in his or her office a statement that the child can
22 read and legibly write simple sentences in the English language and
23 that, in his or her opinion, the child has reached the normal
24 development of a child of ~~its~~ such child's age, and the child is in
25 sound health and is physically able to perform the work which ~~it~~
26 such child intends to do. In doubtful cases such physical fitness
27 shall be determined by a physician provided by the Department of
28 Labor. In addition to the ~~foregoing~~ requirements of this section,

1 if the child is under fourteen years of age, the employment
2 certificate shall be issued only for employment in connection with
3 an employment program supervised and sponsored by the school or
4 school district such child attends. ~~7 which program has been~~
5 ~~approved by the State Department of Education.~~ Whenever the person
6 authorized to issue the employment certificate is in doubt about
7 the age of a child, he or she may require the party or parties
8 making application for the certificate to appear before the judge
9 of the juvenile court or the county judge where the question of the
10 age of the child shall be determined and the judgment of the court
11 shall be final and binding upon the person issuing the certificate.
12 Notice of the hearing before the court shall be given to some one
13 of the persons authorized to demand inspection of employment
14 certificates. Every employment certificate shall be signed in the
15 presence of the officer issuing the ~~same~~ certificate by the child
16 in whose name it is issued.

17 Sec. 4. Section 72-801, Revised Statutes Supplement,
18 1998, is amended to read:

19 72-801. Any public building that is erected or repaired
20 and for which an appropriation is made by the Legislature shall be
21 constructed or repaired in a complete manner within the limits of
22 such appropriation. Except as provided in sections 72-811 to
23 72-818 and ~~79-11,120~~ 79-11,109, no building shall be changed or
24 diverted from the use or purpose, kind, or class of building from
25 that for which the appropriation was originally made.

26 Sec. 5. Section 79-101, Revised Statutes Supplement,
27 1998, is amended to read:

28 79-101. For purposes of Chapter 79:

1 (1) School district means the territory under the
2 jurisdiction of a single school board authorized by Chapter 79;

3 (2) School means a school under the jurisdiction of a
4 school board authorized by Chapter 79;

5 (3) Legal voter means a registered voter as defined in
6 section 32-115 who is domiciled in a precinct or ward in which he
7 or she is registered to vote and which precinct or ward lies in
8 whole or in part within the boundaries of a school district for
9 which the registered voter chooses to exercise his or her right to
10 vote at a school district election or at an annual or special
11 meeting of a Class I ~~or~~ ~~II~~ school district;

12 (4) Prekindergarten programs means all early childhood
13 programs provided for children who have not reached the age of five
14 by October 15 of the current school year;

15 (5) Elementary grades means grades kindergarten through
16 eight, inclusive;

17 (6) High school grades means all grades above the eighth
18 grade;

19 (7) School year means (a) for elementary grades other
20 than kindergarten, the time equivalent to at least one thousand
21 thirty-two instructional hours and (b) for high school grades, the
22 time equivalent to at least one thousand eighty instructional
23 hours;

24 (8) Instructional hour means a period of time, at least
25 sixty minutes, which is actually used for the instruction of
26 students;

27 (9) Teacher means any certified employee who is regularly
28 employed for the instruction of pupils in the public schools;

1 (10) Administrator means any certified employee such as
2 superintendent, assistant superintendent, principal, assistant
3 principal, school nurse, or other supervisory or administrative
4 personnel who do not have as a primary duty the instruction of
5 pupils in the public schools;

6 (11) School board means the governing body of any school
7 district. Board of education has the same meaning as school board;

8 (12) Teach means and includes, but is not limited to, the
9 following responsibilities: (a) The organization and management of
10 the classroom or the physical area in which the learning
11 experiences of pupils take place; (b) the assessment and diagnosis
12 of the individual educational needs of the pupils; (c) the
13 planning, selecting, organizing, prescribing, and directing of the
14 learning experiences of pupils; (d) the planning of teaching
15 strategies and the selection of available materials and equipment
16 to be used; and (e) the evaluation and reporting of student
17 progress;

18 (13) Permanent school fund means the fund described in
19 section 79-1035.01;

20 (14) Temporary school fund means the fund described in
21 section 79-1035.02; and

22 (15) School lands means the lands described in section
23 79-1035.03. Educational lands has the same meaning as school
24 lands.

25 The State Board of Education shall adopt and promulgate
26 rules and regulations to define school day, school month, and other
27 appropriate units of the school calendar.

28 Sec. 6. Section 79-318, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 79-318. The State Board of Education shall:

3 (1) Appoint and fix the compensation of the Commissioner
4 of Education;

5 (2) Remove the commissioner from office at any time for
6 conviction of any crime involving moral turpitude or felonious act,
7 for inefficiency, or for willful and continuous disregard of his or
8 her duties as commissioner or of the directives of the board;

9 (3) Upon recommendation of the commissioner, appoint and
10 fix the compensation of a deputy commissioner and all professional
11 employees of the board;

12 (4) Organize the State Department of Education into such
13 divisions, branches, or sections as may be necessary or desirable
14 to perform all its proper functions and to render maximum service
15 to the board and to the state school system;

16 (5) Provide, through the commissioner and his or her
17 professional staff, enlightened professional leadership, guidance,
18 and supervision of the state school system, including educational
19 service units. In order that the commissioner and his or her staff
20 may carry out their duties, the board shall, through the
21 commissioner: (a) Provide supervisory and consultation services to
22 the schools of the state; (b) issue materials helpful in the
23 development, maintenance, and improvement of educational facilities
24 and programs; (c) establish rules and regulations which govern
25 standards and procedures for the approval and legal operation of
26 all schools in the state and for the accreditation of all schools
27 requesting state accreditation. All public, private,
28 denominational, or parochial schools shall either comply with the

1 accreditation or approval requirements prescribed in this section
2 and section 79-703 or, for those schools which elect not to meet
3 accreditation or approval requirements, the requirements prescribed
4 in subsections (2) through (5) of section 79-1601. Standards and
5 procedures for approval and accreditation shall be based upon the
6 program of studies, guidance services, the number and preparation
7 of teachers in relation to the curriculum and enrollment,
8 instructional materials and equipment, science facilities and
9 equipment, library facilities and materials, and health and safety
10 factors in buildings and grounds. Rules and regulations which
11 govern standards and procedures for private, denominational, and
12 parochial schools which elect, pursuant to the procedures
13 prescribed in subsections (2) through (5) of section 79-1601, not
14 to meet state accreditation or approval requirements shall be as
15 described in such section; (d) institute a statewide system of
16 testing to determine the degree of achievement and accomplishment
17 of all the students within the state's school systems if it
18 determines such testing would be advisable; (e) prescribe a uniform
19 system of records and accounting for keeping adequate educational
20 and financial records, for gathering and reporting necessary
21 educational data, and for evaluating educational progress; (f)
22 cause to be published laws, rules, and regulations governing the
23 schools and the school lands and funds with explanatory notes for
24 the guidance of those charged with the administration of the
25 schools of the state; (g) approve teacher education programs
26 conducted in Nebraska postsecondary educational institutions
27 designed for the purpose of certificating teachers and
28 administrators; (h) approve teacher evaluation policies and

1 procedures developed by school districts and educational service
2 units; and (i) approve general plans and adopt educational
3 policies, standards, rules, and regulations for carrying out the
4 board's responsibilities and those assigned to the State Department
5 of Education by the Legislature;

6 (6) Adopt and promulgate rules and regulations for the
7 guidance, supervision, accreditation, and coordination of
8 educational service units. Such rules and regulations for
9 accreditation shall include, but not be limited to, (a) a
10 requirement that programs and services offered to school districts
11 by each educational service unit shall be evaluated on a regular
12 basis, but not less than every seven years, to assure that
13 educational service units remain responsive to school district
14 needs and (b) guidelines for the use and management of funds
15 generated from the property tax levy and from other sources of
16 revenue as may be available to the educational service units, to
17 assure that public funds are used to accomplish the purposes and
18 goals assigned to the educational service units by section 79-1204.
19 The State Board of Education shall establish procedures to
20 encourage the coordination of activities among educational service
21 units and to encourage effective and efficient educational service
22 delivery on a statewide basis;

23 (7) Submit a biennial report to the Governor and the
24 Clerk of the Legislature covering the actions of the board, the
25 operations of the State Department of Education, and the progress
26 and needs of the schools and recommend such legislation as may be
27 necessary to satisfy these needs;

28 (8) Prepare and distribute reports designed to acquaint

1 school district officers, teachers, and patrons of the schools with
2 the conditions and needs of the schools;

3 (9) Provide for consultation with professional educators
4 and lay leaders for the purpose of securing advice deemed necessary
5 in the formulation of policies and in the effectual discharge of
6 its duties;

7 (10) Make studies, investigations, and reports and
8 assemble information as necessary for the formulation of policies,
9 for making plans, for evaluating the state school program, and for
10 making essential and adequate reports;

11 (11) Submit to the Governor and the Legislature a budget
12 necessary to finance the state school program under its
13 jurisdiction, including the internal operation and maintenance of
14 the State Department of Education;

15 (12) Interpret its own policies, standards, rules, and
16 regulations and, upon reasonable request, hear complaints and
17 disputes arising therefrom;

18 (13) With the advice of the Department of Motor Vehicles,
19 adopt and promulgate rules and regulations containing reasonable
20 standards, not inconsistent with existing statutes, governing: (a)
21 The general design, equipment, color, operation, and maintenance of
22 any vehicle with a manufacturer's rated seating capacity of eleven
23 or more passengers used for the transportation of school children;
24 and (b) the equipment, operation, and maintenance of any vehicle
25 with a capacity of ten or less passengers used for the
26 transportation of school students, when such vehicles are owned,
27 operated, or owned and operated by any school district or privately
28 owned or operated under contract with any school district in this

1 state. Similar rules and regulations shall be adopted and
2 promulgated for operators of such vehicles as provided in section
3 79-607;

4 (14) Accept, on behalf of the Nebraska Center for the
5 Education of Children who are Blind or Visually Impaired, formerly
6 the Nebraska School for the Visually Handicapped, on behalf of the
7 Nebraska School for the Deaf, or on behalf of any school for
8 students with mental retardation which is exclusively owned by the
9 State of Nebraska and under the control and supervision of the
10 State Department of Education, devises of real property or
11 donations or bequests of other property, or both, if in its
12 judgment any such devise, donation, or bequest is for the best
13 interest of any such school the center or the students attending
14 such school receiving services from the center, or both, and
15 irrigate or otherwise improve any such real estate when in the
16 board's judgment it would be advisable to do so; and

17 (15) Upon acceptance of any devise, donation, or bequest
18 as provided in this section, administer and carry out such devise,
19 donation, or bequest in accordance with the terms and conditions
20 thereof. If not prohibited by the terms and conditions of any such
21 devise, donation, or bequest, the board may sell, convey, exchange,
22 or lease property so devised, donated, or bequeathed upon such
23 terms and conditions as it deems best and remit all money derived
24 from any such sale or lease to the State Treasurer for credit to
25 the State Department of Education Trust Fund.

26 Each member of the Legislature shall receive a copy of
27 the report required by subdivision (7) of this section by making a
28 request for it to the commissioner.

1 None of the duties prescribed in this section shall
2 prevent the board from exercising such other duties as in its
3 judgment may be necessary for the proper and legal exercise of its
4 obligations.

5 Sec. 7. Section 79-472, Revised Statutes Supplement,
6 1998, is amended to read:

7 79-472. (1)(a) If a Class II school district, by a vote
8 of fifty-five percent of the legal voters voting at ~~an annual or a~~
9 special meeting, decides to discontinue and close the high school,
10 the school district shall become an affiliated Class I school
11 district on the date designated by such legal voters. Affiliation
12 shall be accomplished pursuant to sections 79-413 to 79-427. At
13 such meeting a decision shall be made as to when the new school
14 board shall be elected and whether the board shall consist of three
15 members or six members. No new Class I school district shall
16 establish a six-member board unless the school district contains a
17 minimum of one hundred fifty children who are five through twenty
18 years of age. The school board of the existing Class II school
19 district shall remain in office until the effective date for the
20 formation of the new Class I school district.

21 (b) If the new school board is to consist of three
22 members, such members shall be elected at the time of the vote to
23 change from a Class II school district to a Class I school district
24 or at ~~any annual or a~~ special meeting held not less than thirty
25 days prior to the effective date of the change from a Class II
26 school district to a Class I school district. At the ~~annual or~~
27 special meeting, a treasurer shall be elected for a term of one
28 year, a secretary for a term of two years, and a president for a

1 term of three years, and their successors shall be elected for
2 terms of three years each. All officers so elected shall hold
3 their offices until successors are elected and qualified. After
4 such change becomes effective, the school district and its officers
5 shall have the powers of and be governed by the provisions of law
6 applicable to Class I school districts.

7 (c) If the new school board is to consist of six members,
8 such members shall be elected after the vote to change from a Class
9 II school district to a Class I school district. The procedure for
10 electing board members shall be as prescribed in section 32-541 or
11 as prescribed in subsection (3) of section 79-565, except that such
12 election may be held at any annual school meeting or at a special
13 school meeting called for the purpose of electing school district
14 officers.

15 (2) No school district may change from Class I to Class
16 II unless that school district has an enrollment of not less than
17 one hundred pupils in grades nine through twelve. This subsection
18 shall not apply to any school district located on an Indian
19 reservation and substantially or totally financed by the federal
20 government.

21 Sec. 8. Section 79-479, Revised Statutes Supplement,
22 1998, is amended to read:

23 79-479. (1)(a) Beginning January 1, 1992, any school
24 district boundaries changed by the means provided by Nebraska law,
25 but excluding the method provided by sections 79-407, 79-473 to
26 79-475, and 79-549, shall be made only upon an order issued by the
27 county superintendent. If the boundaries so changed are in more
28 than one county, such order shall be issued jointly by the county

1 superintendents of all counties involved. The county
2 superintendent or county superintendents shall not issue an order
3 changing boundaries relating to affiliation of school districts if
4 twenty percent or more of any tract of land under common ownership
5 which is proposing to affiliate is not contiguous to the high
6 school district with which affiliation is proposed unless (i) one
7 or more resident students of the tract of land under common
8 ownership has attended the high school program of the high school
9 district within the immediately preceding ten-year period or (ii)
10 approval of the petition or plan would allow siblings of such
11 resident students to attend the same school as the resident
12 students attended.

13 (b) The order issued by the county superintendent or
14 county superintendents shall be certified to the county clerk of
15 each county in which boundaries are changed and shall also be
16 certified to the State Department of Education. Whenever the order
17 changes the boundaries of a school district due to the transfer of
18 land, the county assessor, the Property Tax Administrator, and the
19 State Department of Education shall be provided with the legal
20 description and a map of the parcel of land which is transferred.
21 Such order shall be issued no later than June 1 and shall have an
22 effective date no later than August 1 of the same year. For
23 purposes of the school district boundary map provided by the county
24 superintendent pursuant to section 23-3306, determining school
25 district counts pursuant to sections 79-524 and 79-578, and
26 calculating state aid allocations pursuant to the Tax Equity and
27 Educational Opportunities Support Act, any change in school
28 district boundaries with an effective date between June 1 and

1 August 1 of any year shall be considered effective June 1 of such
2 year.

3 (2) Unless otherwise provided by state law or by the
4 terms of an affiliation or reorganization plan or petition which is
5 consistent with state law, all assets, including budget authority
6 as provided in sections 79-1023 to 79-1030, and liabilities, except
7 bonded obligations, of school districts merged, dissolved, or
8 annexed shall be transferred to the receiving district or districts
9 on the basis of the proportionate share of assessed valuation
10 received at the time of reorganization. When a Class II, III, IV,
11 or V school district becomes a Class I school district:

12 (a) Which becomes part of a Class VI district which
13 offers instruction in grades seven through twelve, 44.8276 percent
14 of the Class II, III, IV, or V district's assets and liabilities
15 shall be transferred to the new Class I district and the remainder
16 shall be transferred to the Class VI district or districts of which
17 the Class I district becomes a part on the basis of the
18 proportionate share of assessed valuation each high school district
19 received at the time of such change in class of district; or

20 (b) Which is affiliated or becomes part of a Class VI
21 district which offers instruction in grades nine through twelve,
22 61.3793 percent of the Class II, III, IV, or V school district's
23 assets and liabilities shall be transferred to the new Class I
24 district and the remainder shall be transferred to the Class VI
25 district or districts of which the Class I district becomes a part
26 and to the high school district or districts with which the Class I
27 district is affiliated on the basis of the proportionate share of
28 assessed valuation each high school district received at the time

1 of such change in class of district.

2 Sec. 9. Section 79-492, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 79-492. When a new Class I ~~or Class II~~ school district
5 is organized and officers are elected at any other time than at the
6 annual meeting, the time intervening between the date of
7 organization and the beginning of the next school year shall
8 constitute the first year in the term of such officers.

9 Sec. 10. Section 79-4,108, Revised Statutes Supplement,
10 1998, is amended to read:

11 79-4,108. (1) Unified system means two or more Class II
12 or III school districts participating in an interlocal agreement
13 under the Interlocal Cooperation Act with approval from the State
14 Committee for the Reorganization of School Districts. The
15 interlocal agreement may include Class I districts if the entire
16 valuation is included in the unified system. The interlocal
17 agreement shall provide for a minimum term of three school years.
18 The agreement shall provide that all property tax and state aid
19 resources shall be shared by the unified system and that a board
20 composed of school board members, with at least one school board
21 member from each district, shall determine the general fund levy,
22 within the limitations placed on school districts and
23 multiple-district school systems pursuant to section 77-3442, to be
24 applied in all participating districts and shall determine the
25 distribution of property tax and state aid resources within the
26 unified system. For purposes of section 77-3442, the
27 multiple-district school system shall include all of the Class I,
28 II, and III districts participating in the unified system and the

1 Class I districts or portions thereof affiliated with any of the
2 participating Class II and III districts. The interlocal agreement
3 shall also provide that certificated staff will be employees of the
4 unified system. For any certificated staff employed by the unified
5 system, tenure and seniority as of the effective date of the
6 interlocal agreement shall be transferred to the unified system and
7 tenure and seniority provisions shall continue in the unified
8 system except as provided in sections 79-850 to 79-858. If a
9 district withdraws from the unified system or if the interlocal
10 agreement expires and is not renewed, certificated staff employed
11 by a participating district immediately prior to the unification
12 shall be reemployed by the original district and tenure and
13 seniority as of the effective date of the withdrawal or expiration
14 shall be transferred to the original district. The certificated
15 staff hired by the unified system but not employed by a
16 participating district immediately prior to the unification shall
17 be subject to the reduction-in-force policy of the unified system.
18 The interlocal agreement shall also require participating districts
19 to pay obligations of the unified system pursuant to sections
20 79-850 to 79-858 on a pro rata basis based on the adjusted
21 valuations if a district withdraws from the unified system or if
22 the interlocal agreement expires and is not renewed. Additional
23 provisions in the interlocal agreement shall be determined by the
24 participating districts and shall encourage cooperation within the
25 unified system.

26 (2) Application for unification shall be made to the
27 state committee. The application shall contain a copy of the
28 interlocal agreement signed by the president of each participating

1 school board. The state committee shall approve or disapprove
2 applications for unification within thirty days after receipt of
3 the application. If the interlocal agreement complies with
4 subsection (1) of this section and all school boards of the
5 participating districts have approved the interlocal agreement, the
6 state committee shall approve the application. Unification
7 agreements shall be effective on June 1 following approval from the
8 state committee for status as a unified system or on June 1 of the
9 year specified in the interlocal agreement. The board established
10 in the interlocal agreement may begin meeting any time after the
11 application has been approved by the state committee.

12 (3) Upon granting the application for unification, the
13 State Department of Education shall recognize the unified system as
14 a single Class II or III district for state aid, budgeting,
15 accreditation, enrollment of students, state programs, and
16 reporting. The unified system shall submit a single report
17 document for each of the reports required of school districts
18 pursuant to Chapter 79 and shall submit a single budget document
19 pursuant to sections 13-505 to 13-522. The class of district shall
20 be the same as the majority of participating districts, excluding
21 Class I districts. If there are an equal number of Class II and
22 Class III districts in the unified system, the unified system shall
23 be recognized by the department as a Class III district.

24 (4) The school districts participating in a unified
25 system shall retain their separate identities for all purposes
26 except those specified in this section, and participation in a
27 unified system shall not be considered a reorganization.

28 Sec. 11. Section 79-528, Revised Statutes Supplement,

1 1998, is amended to read:

2 79-528. (1) On or before July 20 in all school
3 districts, the secretary of the school board shall deliver to the
4 county superintendent, to be filed in the county superintendent's
5 office, a report under oath showing the number of children from
6 birth through twenty years of age belonging to the school district
7 according to the census taken as provided in sections 79-524 and
8 79-578. The report shall identify the number of boys and the
9 number of girls in each of the respective age categories. Each
10 Class I school district which is part of a Class VI school district
11 offering instruction (a) in grades kindergarten through six shall
12 report children from birth through eleven years of age and (b) in
13 grades kindergarten through eight shall report children from birth
14 through thirteen years of age. Each Class VI school district
15 offering instruction (i) in grades seven through twelve shall
16 report children who are twelve through twenty years of age and (ii)
17 in grades nine through twelve children who are fourteen through
18 twenty years of age. Each Class I district which has affiliated in
19 whole or in part shall report children from birth through thirteen
20 years of age. Each Class I district which is not in whole or in
21 part a part of a Class VI district and which has not affiliated in
22 whole or in part shall report children from birth through twenty
23 years of age. Each Class II, III, IV, or V district shall report
24 children who are fourteen through twenty years of age residing in
25 Class I districts or portions thereof which have affiliated with
26 such district. The board of any district neglecting to take and
27 report the enumeration shall be liable to the school district for
28 all school money which such district may lose by such neglect.

1 (2) On or before June 30 in all school districts, the
2 secretary of the school board shall deliver to the county
3 superintendent and file with the Commissioner of Education a report
4 under oath described as an end-of-the-school-year annual
5 statistical summary showing (a) the number of children attending
6 school during the year under five years of age, (b) the length of
7 time the school has been taught during the year by a qualified
8 teacher, (c) the length of time taught by each substitute teacher,
9 and (d) such other information as the Commissioner of Education
10 directs.

11 (3) On or before October 15 in Class I school districts,
12 the secretary of the school board shall submit to the county
13 superintendent, to be filed in the county superintendent's office,
14 and on or before November 1 in Class II, III, IV, V, and VI school
15 districts, the secretary of the school board shall submit to the
16 county superintendent and to the Commissioner of Education, to be
17 filed in their offices, a report under oath described as the annual
18 financial report showing (a) the amount of money received from all
19 sources during the year and the amount of money expended by the
20 school district during the year, (b) the rate of tax levied for all
21 school purposes, (c) the amount of bonded indebtedness, (d) such
22 other information as shall be necessary to fulfill the requirements
23 of the Tax Equity and Educational Opportunities Support Act and
24 section 79-1114, and (e) such other information as the Commissioner
25 of Education directs.

26 (4) On or before October 15 of each year, the secretary
27 of each school board shall deliver to the county superintendent and
28 to the State Department of Education the fall school district

1 membership report, which report shall include the number of
2 children from birth through twenty years of age enrolled in the
3 district on the last Friday in September of a given school year.
4 The report shall enumerate (a) students by grade level, (b) school
5 district levies and total assessed valuation for the current fiscal
6 year, and (c) ~~the amount of the levy for special building funds and~~
7 ~~sinking funds exempted under subdivision (2)(a) of section 77-3442~~
8 ~~for projects commenced prior to April 17, 1996, and the duration of~~
9 ~~the exemptions, and (d)~~ such other information as the Commissioner
10 of Education directs. When any school district fails to submit its
11 fall school district membership report by November 1, the
12 commissioner shall, after notice to the district and an opportunity
13 to be heard, direct that any state aid granted pursuant to the Tax
14 Equity and Educational Opportunities Support Act be withheld until
15 such time as the report is received by the department. In
16 addition, the commissioner shall notify the county superintendent
17 to direct the county treasurer to withhold all school money
18 belonging to the school district until such time as the
19 commissioner notifies the county superintendent of receipt of such
20 report. The county treasurer shall withhold such money.

21 Sec. 12. Section 79-540, Revised Statutes Supplement,
22 1998, is amended to read:

23 79-540. If any person offering to vote at any Class I ~~or~~
24 ~~##~~ school district meeting is challenged as unqualified by any
25 legal voter of such school district, the chairperson presiding at
26 such meeting shall explain to the person challenged the
27 qualifications of a legal voter. If such person states that he or
28 she is qualified and the challenge is not withdrawn, the

1 chairperson shall administer an oath, reduced to writing, in
2 substance as follows: "You do solemnly swear (or affirm) that you
3 are a citizen of the United States, that you are of the
4 constitutionally prescribed age of an elector or upwards, that you
5 are domiciled in this precinct or ward, which precinct or ward lies
6 in whole or in part within the boundaries of this school district,
7 and that you are registered to vote in this precinct or ward, so
8 help you God." Every person taking such oath and signing his or
9 her name to it shall be permitted to vote on all questions proposed
10 at such meeting.

11 Sec. 13. Section 79-556, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-556. The annual school meeting of each Class I school
14 district shall be held at the schoolhouse, if there is one, or at
15 some other suitable place within the district on or before the
16 second Monday of August of each year. ~~The annual school meeting of~~
17 ~~each Class II school district shall be held at the schoolhouse on~~
18 ~~or before the second Monday of August of each year.~~ The officers
19 elected as provided in sections 79-406, 79-472, and 79-565 shall
20 take possession of the office to which they have been elected at
21 the first meeting of the board following its election, and the
22 school year shall commence with that day.

23 Sec. 14. Section 79-557, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-557. Special meetings of Class I ~~and II~~ school
26 districts may be called by the school board by majority vote, or by
27 any one of the members of such board, on the written request of
28 legal voters of the district equal in number to at least ten

1 percent of those voting at the last general election for Governor
2 in the district by giving the notice required in section 79-558.
3 When so requested, the board or the member receiving such request
4 shall call the meeting. In all notices of special meetings, the
5 object of the meeting shall be stated and no business shall be
6 transacted at such meetings except such as is mentioned in the
7 call.

8 Sec. 15. Section 79-558, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-558. All notices of annual or special meetings of
11 Class I ~~and II~~ school districts shall state the day, hour, and
12 place of meeting, which place shall be within the district, and
13 shall be given at least five days previous to such meeting by
14 posting up copies of the notice in three public places within the
15 district. No annual meeting shall be deemed illegal for want of
16 such notice. No schoolhouse site shall be changed ~~nor taxes and no~~
17 taxes shall be voted for building, purchase, or lease of a
18 schoolhouse at any district meeting unless notices have been given
19 of such meeting as provided in this section, including the fact
20 that such subjects will be considered at such meeting.

21 Sec. 16. Section 79-602, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 79-602. All school boards, ~~and boards of education,~~ the
24 governing authorities of any nonpublic schools in this state, and
25 all independent contractors who or which provide student
26 transportation services for such boards and governing authorities
27 and for military installations shall cause all pupil transportation
28 vehicles used for the transportation of students to be inspected

1 before school opens in the fall and each eighty days during that
2 part of the year when school is in session by a motor vehicle
3 mechanic appointed by the board or governing authority having
4 jurisdiction over such students, except that any pupil
5 transportation vehicle that has been inspected under rules and
6 regulations of the Public Service Commission shall be exempted from
7 the provisions of this section. The mechanic shall thoroughly
8 inspect every vehicle used for the transportation of students as to
9 brakes, lights, windshield wipers, window glass, tires, doors,
10 heaters, defrosting equipment, steering gear, exhaust system, and
11 the mechanical condition of every part of such pupil transportation
12 vehicle to ensure compliance with the minimum allowable safety
13 criteria established pursuant to section 79-607 and subdivision
14 (13) of section 79-318. Within five days after such inspection,
15 the mechanic shall make a report of his or her inspection in
16 writing on regular forms provided by the State Department of
17 Education which shall show if the vehicle met the minimum allowable
18 safety criteria for use. Any item not meeting such criteria shall
19 be brought into compliance prior to the vehicle being used to
20 transport students. One copy of the mechanic's report shall be
21 filed with the board or governing authority and, if the school
22 contracts with an independent contractor to provide transportation
23 services, one copy with the independent contractor. The chief
24 administrative officer of each school district shall annually
25 certify, by a written verification statement, to the State
26 Department of Education that the inspections required pursuant to
27 this section have been performed. Such verification statement
28 shall be sent to the department no later than July 31. The chief

1 administrative officer or chairperson of the board, the governing
2 authority, or the independent contractor shall, upon request, make
3 available the mechanic's inspection reports for each vehicle used
4 for the transportation of students to the Nebraska State Patrol
5 inspector when the annual school vehicle safety equipment
6 inspections are conducted.

7 All such boards, governing authorities, and independent
8 contractors shall also cause such pupil transportation vehicles
9 used for the transportation of students to be safety inspected at
10 least once during each calendar year by the Nebraska State Patrol
11 or the patrol's carrier enforcement division to ensure compliance
12 with the minimum allowable safety criteria prescribed in section
13 79-607 and subdivision (13) of section 79-318. Upon successful
14 completion of such inspection, an approval sticker shall be placed
15 by the inspector on the ~~lower inside corner of the driver's side~~
16 windshield as specified by the rules and regulations established
17 pursuant to subdivision (13) of section 79-318, and within five
18 days after such inspection the Nebraska State Patrol or the
19 division shall make a report of its inspection in writing and file
20 one copy of such report with the board, the governing authority, or
21 the independent contractor and file one copy with the State
22 Department of Education. If any inspection required by this
23 section discloses any equipment not in compliance with the minimum
24 allowable safety criteria, the pupil transportation vehicle shall
25 immediately be removed from service until the defects are corrected
26 to the satisfaction of a Nebraska State Patrol or division
27 inspector.

28 All such boards, governing authorities, and independent

1 contractors shall also cause each pupil transportation vehicle used
2 for the transportation of students to be inspected by the Nebraska
3 State Patrol or the patrol's carrier enforcement division for
4 compliance with minimum equipment standards established pursuant to
5 section 79-607 and subdivision (13) of section 79-318 prior to
6 being placed into service for the first time in the State of
7 Nebraska. After such inspection a one-time minimum equipment
8 standards sticker shall be placed by the inspector on the ~~lower~~
9 ~~left-hand inside corner of the~~ windshield as specified by the rules
10 and regulations established pursuant to subdivision (13) of section
11 79-318 if the pupil transportation vehicle meets such minimum
12 standards. If the inspection reveals any equipment on the pupil
13 transportation vehicle that is not in compliance with such minimum
14 equipment standards, the vehicle shall not be put into service
15 until such deficiencies are corrected and a minimum equipment
16 standards sticker is placed on such vehicle. Failure to remove
17 pupil transportation vehicles from service due to noncompliance
18 with minimum safety or minimum equipment standards shall constitute
19 a Class V misdemeanor, and conviction for such offense shall be
20 grounds for dismissal of any employee.

21 In addition to the inspection requirements prescribed in
22 this section, the driver of each pupil transportation vehicle shall
23 make daily inspections of such vehicle to ensure that all lights
24 and equipment are fully operational or repaired before his or her
25 daily route. Reports of such daily inspections shall be kept by
26 the driver in the vehicle and filed weekly with the head mechanic
27 or administrator in charge of the transportation system. If the
28 inspection reveals any significant defect in the lights or

1 equipment, the driver shall immediately report the defect to the
2 head mechanic or administrator in charge of the transportation
3 system.

4 Sec. 17. Section 79-758, Revised Statutes Supplement,
5 1998, is amended to read:

6 79-758. (1) Quality education incentive payments shall
7 be provided to local systems, as defined in section 79-1003, each
8 year the local system meets the qualifications described in this
9 section. The first two years a local system qualifies for quality
10 education incentives, the system shall meet all of the primary
11 quality factors in subsection (2) of this section. The third and
12 fourth years a local system qualifies for quality education
13 incentives, the system shall meet all of the primary quality
14 factors in subsection (2) of this section and at least two of the
15 premier quality factors in subsection (3) of this section. The
16 fifth and sixth years a local system qualifies for quality
17 education incentives, the system shall meet all of the primary
18 quality factors in subsection (2) of this section and at least
19 three of the premier quality factors in subsection (3) of this
20 section. The seventh year and each year thereafter a local system
21 qualifies for quality education incentives, the system shall meet
22 all of the primary quality factors in subsection (2) of this
23 section and at least four of the premier quality factors in
24 subsection (3) of this section except as provided in subsection (4)
25 of this section.

26 (2) The primary quality factors are:

27 (a) Each district in the local system has adopted
28 academic standards adopted and promulgated by the State Board of

1 Education or academic standards approved by the state board as
2 generally more rigorous than the academic standards adopted and
3 promulgated by the state board;

4 (b) Each district in the local system has an alternative
5 school, class, or educational program available or in operation for
6 all expelled students pursuant to subsection (1) of section 79-266
7 or, for districts that do not have any expelled students, an
8 adopted school board policy to have an alternative school, class,
9 or educational program available or in operation for all expelled
10 students pursuant to subsection (1) of section 79-266 if any
11 expulsions occur; ~~and~~

12 (c) At least sixty percent of the graduating seniors in
13 the local system have taken a standard college admissions test.
14 More than one standard college admissions test may be considered in
15 the calculation of the sixty percent criterion as long as an
16 individual Nebraska public school student is counted only once; and

17 (d) The graduating seniors in the local system who have
18 taken a standard college admissions test and those students have an
19 aggregate average test score, using the ~~most recent~~ highest test
20 score on each test taken for each student who has taken at least
21 one of the tests, above the statewide aggregate average test score.
22 The statewide average score shall be calculated by using the
23 highest score on each test taken for all Nebraska public school
24 students who have taken at least one of the tests. Each local
25 system shall calculate the aggregate score of its graduating
26 seniors who took a standard college admissions test by using the
27 highest test score on each test taken for each student who has
28 taken at least one of the tests. If more than sixty percent of the

1 graduating seniors in the system took at least one of the standard
2 college admissions tests, then only the scores of the number of
3 top-scoring students needed to reach the minimum sixty percent
4 level are to be counted to calculate the aggregate system average.
5 At least twenty-five percent of the graduating seniors in the
6 system must have taken a standard college admissions test in order
7 for the system aggregate score on that test to be considered. The
8 statewide aggregate average test score shall be the average of the
9 test scores used in calculating the local system aggregate average
10 test score for all local systems. ~~on any of the standard college~~
11 admissions tests which at least ~~twenty-five~~ percent of the
12 graduating seniors have taken.

13 (3) The premier quality factors are:

14 (a) The local system has at least one teacher who has
15 received credentials from a national nonprofit organization the
16 purpose of which is to establish high and rigorous standards in a
17 broad range of educational areas for what accomplished teachers
18 should know and be able to do and which issues credentials to
19 teachers who demonstrate that they meet those standards;

20 (b) At least thirty-six percent of the certificated
21 teachers in the local system have advanced degrees or at least
22 thirty graduate-level hours;

23 (c) Each first-year teacher in a local system is provided
24 with a mentor participating in the mentor teacher program pursuant
25 to section 79-761 or a mentor teacher program has been established
26 by a district in the local system and approved by the state board;

27 (d) The high school district improves the annual
28 percentage dropout rate from the prior year or maintains a dropout

1 rate not to exceed four percent; and

2 (e) An approved program for learners with high ability
3 pursuant to sections 79-1106 to ~~79-1108~~ 79-1108.03 is available to
4 every student identified as a learner with high ability in the
5 local system and there is at least one learner with high ability
6 identified in the local system.

7 (4) If a local system in which at least forty percent of
8 the formula students qualify for the poverty factor pursuant to
9 section 79-1007.01 meets all of the qualifications for quality
10 education incentive payments, including the requirement that at
11 least sixty percent of the graduating seniors in the local system
12 have taken a standard college admissions test, but ~~except that~~ the
13 aggregate average college admissions test scores pursuant to
14 subdivision ~~(2)(e)~~ (2)(d) of this section are not above the
15 statewide average, the local system shall receive quality education
16 incentive payments equal to fifty dollars per formula student
17 multiplied by two times the percentage resulting when the number of
18 local system graduating seniors who scored above the statewide
19 average on any standard college admissions test, using the ~~most~~
20 ~~recent~~ highest test score on each test taken for each student who
21 has taken at least one of the tests, is divided by the number of
22 all local system graduating seniors who have taken a standard
23 college admissions test.

24 (5) Local systems meeting the criteria in subsections (1)
25 through (4) of this section may apply to the Excellence in
26 Education Council for quality education incentive payments on or
27 before ~~October 1, 1998, for the 1998-99 school fiscal year and on~~
28 ~~or before July 1 each fiscal year thereafter~~ November 1, using the

1 most recent information and data available. Upon review by the
2 Excellence in Education Council, if the information and data in the
3 application indicate that the local system meets the criteria in
4 such subsections, the local system shall qualify for quality
5 education incentive payments.

6 (6) Quality education incentive payments shall be made
7 from the Education Innovation Fund on or before ~~December 1, 1998,~~
8 ~~for the 1998-99 school fiscal year and on or before September 1 of~~
9 ~~each school fiscal year thereafter beginning with the 1999-00~~
10 ~~school fiscal year~~ the following January 15. The payments shall
11 equal fifty dollars per adjusted formula student or one hundred
12 dollars per adjusted formula student for local systems in the very
13 sparse cost grouping based on the most recent certification of
14 state aid pursuant to the Tax Equity and Educational Opportunities
15 Support Act. Local systems which qualify to receive specially
16 calculated payments pursuant to subsection (4) of this section are
17 not eligible to receive one hundred dollars per adjusted formula
18 student even though the system is in the very sparse cost grouping
19 based on the most recent certification of state aid pursuant to the
20 act. If the unobligated balance in the fund is less than the
21 amount calculated for quality education incentive payments due to
22 qualified local systems pursuant to this section, each qualified
23 local system shall receive a pro rata amount such that the amount
24 of payments equals the unobligated balance in the fund.

25 (7) Quality education incentive payments shall only be
26 used for pilot projects or model programs for the purposes set
27 forth in section 9-812 for major competitive grants. Incentive
28 payments may not be used to supplant federal, state, or local

1 funds. The payments shall be made to the high school district, and
2 the high school district prior to the application shall determine
3 how the payments shall be used after consultation with all Class I
4 school districts in the local system. Quality education incentive
5 payments, or portions of such payments, may be transferred to the
6 Class I school districts. Quality education incentive payments
7 shall not be included as local system formula resources pursuant to
8 section 79-1018.01. The Excellence in Education Council may audit
9 the use of quality education incentive payments at the discretion
10 of the council.

11 Sec. 18. Section 79-803, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 79-803. The Commissioner of Education may extend the
14 term of the ~~teacher's certificate or administrator's~~ certificate of
15 any person who has served in the armed forces of the United States
16 and whose certificate was in force on the day of induction or the
17 spouse of such person. This extension shall be equal in length of
18 time to the total number of months which intervene between the date
19 of entrance into the military service and the date of discharge
20 therefrom. There shall be no fee for this service. Each person
21 who applies for an extension of the term of his or her certificate
22 shall furnish the Commissioner of Education proper evidence of
23 service in the armed forces and of sound physical and mental health
24 at the time he or she applies for such extension.

25 Sec. 19. Section 79-1003, Revised Statutes Supplement,
26 1998, is amended to read:

27 79-1003. For purposes of the Tax Equity and Educational
28 Opportunities Support Act:

1 (1) Adjusted general fund operating expenditures means
2 general fund operating expenditures as calculated pursuant to
3 subdivision (21) of this section minus the transportation allowance
4 and, for purposes of state aid paid in school fiscal year 1998-99
5 and each school fiscal year thereafter, minus the special education
6 receipts allowance;

7 (2) Adjusted valuation means the assessed valuation of
8 taxable property of each district in the state, for school fiscal
9 years before school fiscal year 1998-99, and of each local system
10 in the state, for school fiscal year 1998-99 and each school fiscal
11 year thereafter local system in the state, adjusted pursuant to the
12 adjustment factors described in section 79-1016. Adjusted
13 valuation means the adjusted valuation for the property tax year
14 ending during the school fiscal year immediately preceding the
15 school fiscal year in which the aid based upon that value is to be
16 paid. For purposes of determining the local effort rate yield
17 pursuant to section 79-1015.01, adjusted valuation does not include
18 the value of any property which a court, by a final judgment from
19 which no appeal is taken, has declared to be nontaxable or exempt
20 from taxation;

21 (3) Allocated income tax funds means the amount of
22 assistance paid to a local system pursuant to section 79-1005.01 as
23 adjusted by the minimum levy adjustment pursuant to section
24 79-1008.02;

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

1 (5) Average daily membership means the average daily
2 membership for grades kindergarten through twelve ~~attributable to~~
3 ~~the district for school fiscal years before school fiscal year~~
4 ~~1998-99, and for school fiscal year 1998-99 and each school fiscal~~
5 ~~year thereafter,~~ attributable to the local system, as provided in
6 each district's annual statistical summary, and includes the
7 proportionate share of students enrolled in a public school
8 instructional program on less than a full-time basis;

9 (6) Base fiscal year means ~~(a) for school district~~
10 ~~reorganizations which occurred during the 1995-96 school fiscal~~
11 ~~year or the 1996-97 school fiscal year, the second school fiscal~~
12 ~~year following the school fiscal year in which the reorganization~~
13 ~~occurred or (b) for school district reorganizations or unifications~~
14 ~~which occur during or after the 1997-98 school fiscal year, the~~
15 first school fiscal year following the school fiscal year in which
16 the reorganization or unification occurred;

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

18 (8) Categorical funds means funds limited to a specific
19 purpose by federal or state law, including, but not limited to,
20 Title I funds, Title VI funds, federal vocational education funds,
21 federal school lunch funds, Indian education funds, Head Start
22 funds, funds from the Education Innovation Fund, and funds from the
23 School Technology Fund;

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

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

28 (11) District means any Class I, II, III, IV, V, or VI

1 school district;

2 (12) Ensuing school fiscal year means the school fiscal
3 year following the current school fiscal year;

4 (13) Equalization aid means the amount of assistance
5 calculated to be paid to a local system pursuant to sections
6 79-1008.01 to 79-1022;

7 (14) Fall membership means the total membership in
8 kindergarten through grade twelve ~~attributable to the district for~~
9 ~~school fiscal years before school fiscal year 1998-99, and for~~
10 ~~school fiscal year 1998-99 and each school fiscal year thereafter,~~
11 attributable to the local system, as reported on the fall school
12 district membership reports for each district pursuant to section
13 79-528;

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

16 (16) Formula students means (a) for state aid certified
17 pursuant to section 79-1022, the sum of fall membership from the
18 school fiscal year immediately preceding the school fiscal year in
19 which the aid is to be paid, multiplied by the average ratio of
20 average daily membership to fall membership for the second school
21 fiscal year immediately preceding the school fiscal year in which
22 aid is to be paid and the prior two school fiscal years, and
23 tuitioned students from the school fiscal year immediately
24 preceding the school fiscal year in which the aid is to be paid and
25 (b) for final calculation of state aid pursuant to section 79-1065,
26 the sum of average daily membership and tuitioned students from the
27 school fiscal year immediately preceding the school fiscal year in
28 which the aid was paid;

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

5 (18) Full-day kindergarten means kindergarten offered by
6 a district for at least one thousand thirty-two instructional
7 hours;

8 (19) General fund budget of expenditures means the total
9 budgeted expenditures for general fund purposes as certified in the
10 budget statement adopted pursuant to the Nebraska Budget Act,
11 except that for purposes of the limitation imposed in section
12 79-1023, ~~and~~ the calculation of Class I total allowable general
13 fund budget of expenditures minus the special education budget of
14 expenditures pursuant to section 79-1083.03, and the calculation
15 pursuant to section 79-1027.01, the general fund budget of
16 expenditures does not include any special grant funds, exclusive of
17 local matching funds, received by a district subject to the
18 approval of the department;

19 (20) General fund expenditures means all expenditures
20 from the general fund;

21 (21) General fund operating expenditures means the total
22 general fund expenditures minus categorical funds, tuition paid,
23 transportation fees paid to other districts, adult education,
24 summer school, community services, redemption of the principal
25 portion of general fund debt service, and transfers from other
26 funds into the general fund. For state aid certified pursuant to
27 section 79-1022 and budget limitations certified pursuant to
28 section 79-1026, ~~for school fiscal year 1998-99 and each school~~

1 ~~fiscal year thereafter~~, general fund operating expenditures shall
2 equal ~~the~~ each local system's general fund operating expenditures
3 from the most recently available complete data year, adjusted by
4 the average annual change in each ~~district's~~ local system's general
5 fund operating expenditures for the most recently available
6 complete data year and the two school fiscal years immediately
7 preceding the most recently available complete data year. For
8 final calculation of state aid pursuant to section 79-1065, general
9 fund operating expenditures shall be as reported in the annual
10 financial reports from the most recently available complete data
11 year;

12 (22) Income tax liability means the amount of the
13 reported income tax liability for resident individuals pursuant to
14 the Nebraska Revenue Act of 1967 less all nonrefundable credits
15 earned and refunds made;

16 (23) Income tax receipts means the amount of income tax
17 collected pursuant to the Nebraska Revenue Act of 1967 less all
18 nonrefundable credits earned and refunds made;

19 (24) High school district means a school district
20 providing instruction in at least grades nine through twelve;

21 (25) Limited English proficiency student means a student
22 with limited English proficiency from the most recent data
23 available on November 1 of the school fiscal year preceding the
24 school fiscal year in which aid is to be paid;

25 (26) Local system means a Class VI district and the
26 associated Class I districts or a Class II, III, IV, or V district
27 and any affiliated Class I districts or portions of Class I
28 districts. The membership, expenditures, and resources of Class I

1 districts that are affiliated with multiple high school districts
2 will be attributed to local systems based on the percent of the
3 Class I valuation that is affiliated with each high school
4 district;

5 (27) Low-income child means a child under nineteen years
6 of age living in a household having an annual adjusted gross income
7 of fifteen thousand dollars or less for the second calendar year
8 preceding the beginning of the school fiscal year for which aid is
9 being calculated;

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

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

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

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

24 (32) Special education means specially designed
25 kindergarten through grade twelve instruction pursuant to section
26 79-1125, and includes special education transportation;

27 (33) Special ~~education~~ receipts allowance means the
28 amount of special education, state ward, and accelerated or

1 differentiated curriculum program receipts included in local system
2 formula resources under subdivisions (7), (8), (16), and (17) of
3 section 79-1018.01. For state aid certified pursuant to section
4 79-1022, the special ~~education~~ receipts allowance shall be adjusted
5 by the average annual change in each ~~district's~~ local system's
6 special ~~education~~ receipts allowance for the most recently
7 available complete data year and the two school fiscal years
8 immediately preceding the most recently available complete data
9 year. For the final calculation of state aid pursuant to section
10 79-1065, the special ~~education~~ receipts allowance shall be as
11 reported in the annual financial reports from the most recently
12 available complete data year;

13 (34) Special grant funds means the budgeted receipts for
14 grants, including, but not limited to, Title I funds, Title VI
15 funds, funds from the Education Innovation Fund, reimbursements for
16 wards of the court, short-term borrowings including, but not
17 limited to, registered warrants and tax anticipation notes,
18 interfund loans, insurance settlements, and reimbursements to
19 county government for previous overpayment, that have been approved
20 by the state board;

21 (35) State aid means the amount of assistance paid to a
22 district pursuant to the Tax Equity and Educational Opportunities
23 Support Act;

24 (36) State board means the State Board of Education;

25 (37) State support means all funds provided to districts
26 by the State of Nebraska for the general fund support of elementary
27 and secondary education;

28 (38)(a) Transportation allowance means the lesser of (i)

1 ~~the each local system's~~ general fund expenditures for regular route
2 transportation and in lieu of transportation expenditures pursuant
3 to section 79-611 in the most recently available complete data
4 year, but not including special education transportation
5 expenditures or other expenditures previously excluded from general
6 fund operating expenditures, except that for state aid certified
7 pursuant to section 79-1022 and budget limitations certified
8 pursuant to section 79-1026, the general fund operating
9 expenditures for regular route transportation and in lieu of
10 transportation expenditures shall equal such expenditures from the
11 most recently available complete data year, adjusted by the average
12 annual change in each ~~district's~~ local system's such expenditures
13 for the most recently available complete data year and the two
14 school fiscal years immediately preceding the most recently
15 available complete data year or (ii) for each local system, the
16 number of miles traveled in the most recently available complete
17 data year by vehicles owned, leased, or contracted by the ~~district~~
18 local system for the purpose of regular route transportation
19 multiplied by four hundred percent of the mileage rate established
20 by the Department of Administrative Services pursuant to section
21 81-1176 as of January 1 of the most recently available complete
22 data year added to in lieu of transportation expenditures pursuant
23 to section 79-611 from the same data year or, for state aid
24 certified pursuant to section 79-1022 and budget limitations
25 certified pursuant to section 79-1026, ~~the each local system's~~ in
26 lieu of transportation expenditures for this subdivision shall
27 equal such expenditures from the most recently available complete
28 data year, adjusted by the average annual change in each ~~district's~~

1 local system's such expenditures for the most recently available
2 complete data year and the two school fiscal years immediately
3 preceding the most recently available complete data year.

4 (b) For the final calculation of state aid pursuant to
5 section 79-1065, the transportation allowance shall be the lesser
6 of (i) the general fund expenditures for regular route
7 transportation and in lieu of transportation expenditures pursuant
8 to section 79-611 as reported in the annual financial reports from
9 the most recently available complete data year, but not including
10 special education transportation expenditures or other expenditures
11 previously excluded from general fund operating expenditures, or
12 (ii) the number of miles traveled in the most recently available
13 complete data year by vehicles owned, leased, or contracted by the
14 ~~district~~ local system for the purpose of regular route
15 transportation multiplied by four hundred percent of the mileage
16 rate established by the Department of Administrative Services
17 pursuant to section 81-1176 as of January 1 of the most recently
18 available complete data year added to in lieu of transportation
19 expenditures pursuant to section 79-611 from the same data year;
20 and

21 (39) Tuitioned students means students in kindergarten
22 through grade twelve of the district whose tuition is paid by the
23 district to some other district or education agency.

24 Sec. 20. Section 79-1007.02, Revised Statutes
25 Supplement, 1998, is amended to read:

26 79-1007.02. For state aid calculated for school fiscal
27 year 1998-99 and each school fiscal year thereafter:

28 (1) Using data from the annual financial reports for the

1 most recently available complete data year, the annual statistical
2 summary reports for the school fiscal year immediately preceding
3 the school fiscal year in which aid is to be paid, the fall
4 membership reports and supplements thereto for the school fiscal
5 year immediately preceding the school fiscal year in which aid is
6 to be paid, and the school district census as reported under
7 sections 79-524 and 79-578 for the second school fiscal year
8 preceding the school fiscal year in which aid is to be paid, the
9 department shall divide the local systems into three cost groupings
10 prior to the certification of state aid based upon the following
11 criteria:

12 (a) The very sparse cost grouping will consist of local
13 systems that have (i)(A) less than one-half student per square mile
14 in the county in which the high school attendance center is
15 located, based on the school district census, (B) less than one
16 formula student per square mile in the local system, and (C) more
17 than fifteen miles between the high school attendance center and
18 the next closest high school attendance center on paved roads or
19 (ii)(A) more than four hundred fifty square miles in the local
20 system, (B) less than one-half student per square mile in the local
21 system, and (C) more than fifteen miles between the high school
22 attendance center and the next closest high school attendance
23 center on paved roads;

24 (b) The sparse cost grouping will consist of local
25 systems that do not qualify for the very sparse cost grouping but
26 which meet the following criteria:

27 (i)(A) Less than two students per square mile in the
28 county in which the high school is located, based on the school

1 district census, (B) less than one formula student per square mile
2 in the local system, and (C) more than ten miles between the high
3 school attendance center and the next closest high school
4 attendance center on paved roads;

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

9 (iii) The local system includes ninety-five percent or
10 more of a county; and

11 (c) The standard cost grouping will consist of local
12 systems that do not qualify for the very sparse or the sparse cost
13 groupings.

14 For purposes of subdivision (1) of this section, if a
15 local system did not operate and offer instruction in grades nine
16 through twelve within the boundaries of the local system during the
17 school fiscal year immediately preceding the school fiscal year in
18 which aid is to be paid, the local system shall not be considered
19 to have a high school attendance center;

20 (2) The department shall calculate the average formula
21 cost per student in each cost grouping by dividing the total
22 estimated general fund operating expenditures for the cost grouping
23 by the total adjusted formula students for all local systems in the
24 cost grouping. The calculation of total adjusted formula students
25 for purposes of this subdivision shall take into account the
26 requirements of subsection (2) of section 79-1007.01. The total
27 estimated general fund operating expenditures for the cost grouping
28 is equal to the total adjusted general fund operating expenditures

1 for all local systems in the cost grouping multiplied by a cost
2 growth factor. The cost growth factor for each cost grouping is
3 equal to the sum of: (a) One; plus (b) the product of two times the
4 ratio of the difference between the formula students attributable
5 to the cost grouping without weighting or adjustment pursuant to
6 section 79-1007.01 and the average daily membership attributable to
7 the cost grouping for the most recently available complete data
8 year divided by the average daily membership attributable to the
9 cost grouping for the most recently available complete data year,
10 except that the ratio shall not be less than zero; plus (c) the
11 basic allowable growth rate pursuant to section 79-1025 for the
12 school fiscal year in which the aid is to be distributed; plus (d)
13 the basic allowable growth rate pursuant to section 79-1025 for the
14 school fiscal year immediately preceding the school fiscal year in
15 which the aid is to be distributed; plus (e) one-half of any
16 additional growth rate allowed by special action of school boards
17 for the school fiscal year in which the aid is to be distributed as
18 determined on or before December 1 of the school fiscal year
19 immediately preceding the school fiscal year when aid is to be
20 distributed; plus (f) one-half of any additional growth rate
21 allowed by special action of the school boards for the school
22 fiscal year immediately preceding the school fiscal year when the
23 aid is to be distributed; and

24 (3) Each local system's formula need will be equal to the
25 local system's transportation allowance plus the local system's
26 special ~~education~~ receipts allowance plus the product of the local
27 system's adjusted formula students multiplied by the average
28 formula cost per student in the local system's cost grouping. The

1 calculation of total adjusted formula students for purposes of this
2 subdivision shall take into account the requirements of subsection
3 (2) of section 79-1007.01.

4 Sec. 21. Section 79-1009, Revised Statutes Supplement,
5 1998, is amended to read:

6 79-1009. (1) A district in which option students as
7 defined in section 79-233 were actually enrolled in the school year
8 immediately preceding the school year in which the aid is to be
9 paid shall receive net option funding. For purposes of this
10 section: (a) Net option funding is the sum of the products of the
11 net number of option students in each grade range multiplied by the
12 lesser of the statewide average cost grouping cost per student or
13 the ~~option school district's~~ local system cost grouping cost per
14 student multiplied by the weighting factor for the corresponding
15 grade range pursuant to section 79-1007.01; and (b) net number of
16 option students is the number of option students actually enrolled
17 in a grade range in the current data year minus the number of
18 students residing in the district but enrolled in another district
19 in the same grade range in the current data year as option students
20 as defined in section 79-233. A district's net option funding
21 shall be zero if the calculation produces a negative result.

22 The determination of the net number of option students
23 shall be based on the number of option students enrolled in the
24 district or enrolled in another district as of the day of the fall
25 membership count pursuant to section 79-528, for the school fiscal
26 year immediately preceding the school fiscal year in which the aid
27 is to be paid. Payments made under this section shall be made from
28 the funds to be disbursed under section 79-1005.01.

1 (2) Payments made pursuant to this section shall go
2 directly to the option school district but shall count as a formula
3 resource for the local system.

4 Sec. 22. Section 79-1016, Revised Statutes Supplement,
5 1998, is amended to read:

6 79-1016. (1) On or before July 1 of each year, the
7 Property Tax Administrator shall compute and certify to the State
8 Department of Education the adjusted valuation for the current
9 calendar year of each school district and each local system for
10 each class of property in each such local system so that the
11 valuation of property for each school district and each local
12 system, for purposes of determining state aid pursuant to the Tax
13 Equity and Educational Opportunities Support Act, shall reflect as
14 nearly as possible state aid value as defined in subsection (2) of
15 this section. The Property Tax Administrator shall also notify
16 each school district and each local system of its adjusted
17 valuation for the current calendar year by class on or before July
18 1 of each year. Establishment of the adjusted valuation shall be
19 based on assessment practices established by rule and regulation
20 adopted and promulgated by the Property Tax Administrator. The
21 assessment practices may include, but not be limited to, the
22 appraisal methods listed in section 77-112.

23 (2) For purposes of this section, state aid value means:

24 (a) For real property other than agricultural land, one
25 hundred percent of market value;

26 (b) For agricultural land, eighty percent of market value
27 as provided in sections 77-1359 to 77-1363; and

28 (c) For personal property, the net book value as defined

1 in section 77-120.

2 (3) On or before July 31, any local system may file with
3 the Property Tax Administrator written objections to the adjusted
4 valuations prepared by the Property Tax Administrator, stating the
5 reasons why such adjusted valuations are not the valuations
6 required by subsection (2) of this section. The Property Tax
7 Administrator shall fix a time for a hearing. Either party shall
8 be permitted to introduce any evidence in reference thereto. On or
9 before November 1, the Property Tax Administrator shall enter an
10 order modifying or declining to modify, in whole or in part, the
11 adjusted valuations and shall certify the order to the State
12 Department of Education. Modification by the Property Tax
13 Administrator shall be based upon the evidence introduced at
14 hearing and shall not be limited to the modification requested in
15 the written objections or at hearing. The final determination of
16 the Property Tax Administrator may be appealed to the Tax
17 Equalization and Review Commission.

18 (4) On or before June 15, 1998, for adjusted valuations
19 certified in 1997, and on or before October 31 for adjusted
20 valuations certified each year thereafter, any local system or
21 county official may file with the Property Tax Administrator a
22 written request for a nonappealable correction of the adjusted
23 valuation due to clerical error or, for agricultural land, assessed
24 value changes by reason of land qualified or disqualified for
25 special use valuation pursuant to sections 77-1343 to 77-1348. For
26 purposes of this subsection, clerical error means transposition of
27 numbers, allocation of value to the wrong school district,
28 mathematical error, and omitted value. On or before June 30, 1998,

1 for adjusted valuations certified in 1997, and on or before
2 November 30 for valuations certified each year thereafter, the
3 Property Tax Administrator shall approve or deny the request and,
4 if approved, certify the corrected adjusted valuations resulting
5 from such action to the State Department of Education.

6 (5) No injunction shall be granted restraining the
7 distribution of state aid based upon the adjusted valuations
8 pursuant to this section.

9 (6) Beginning with the 1997-98 school fiscal year, in the
10 school fiscal year beginning during the calendar year that a county
11 board adopts special valuation for all qualifying property in the
12 county pursuant to sections 77-1343 to 77-1348, the adjusted
13 valuation used in the calculation of state aid shall not exceed one
14 hundred eight percent of the assessed valuation for the property
15 tax year on which the adjusted valuation is based.

16 (7) A school district whose state aid is to be calculated
17 pursuant to subsections (4) and (6) of this section and whose state
18 aid payment is postponed as a result of failure to calculate state
19 aid pursuant to such subsections may apply to the state board for
20 lump-sum payment of such postponed state aid. Such application may
21 be for any amount up to one hundred percent of the postponed state
22 aid. The state board may grant the entire amount applied for or
23 any portion of such amount. The state board shall notify the
24 Director of Administrative Services of the amount of funds to be
25 paid in a lump sum and the reduced amount of the monthly payments.
26 The Director of Administrative Services shall, at the time of the
27 next state aid payment made pursuant to section 79-1022, draw a
28 warrant for the lump-sum amount from appropriated funds and forward

1 such warrant to the district.

2 Sec. 23. Section 79-1022, Revised Statutes Supplement,
3 1998, is amended to read:

4 79-1022. (1) On or before December 1 of each year, the
5 department shall determine the amounts to be distributed to each
6 local system and each district pursuant to the Tax Equity and
7 Educational Opportunities Support Act based on estimated funding
8 levels provided by the Legislative Fiscal Analyst and shall certify
9 the amounts to the Director of Administrative Services, the Auditor
10 of Public Accounts, and each district. The Legislative Fiscal
11 Analyst shall provide such estimated funding level not later than
12 November 1 of each year. The amount to be distributed to each
13 district from the amount certified for a local system shall be
14 proportional based on the weighted formula students attributed to
15 each district in the local system.

16 (2) Except as provided in subsection (7) of section
17 79-1016, the amounts certified pursuant to subsection (1) of this
18 section shall be distributed in ten as nearly as possible equal
19 payments on the last business day of each month beginning in
20 September of each ensuing school fiscal year and ending in June of
21 the following year, except that when a school district is to
22 receive a monthly payment of less than one thousand dollars, such
23 payment shall be one lump-sum payment on the last business day of
24 December during the ensuing school fiscal year. Such certified
25 state aid amounts shall be shown as budgeted non-property-tax
26 receipts and deducted prior to calculating the property tax request
27 in the district's general fund budget statement as provided to the
28 Auditor of Public Accounts pursuant to section 79-1024.

1 Sec. 24. Section 79-1024, Revised Statutes Supplement,
2 1998, is amended to read:

3 79-1024. (1) The department may require each district to
4 submit to the department a duplicate copy of such portions of the
5 district's budget statement as the Commissioner of Education
6 directs. The department may verify any data used to meet the
7 requirements of the Tax Equity and Educational Opportunities
8 Support Act. The Auditor of Public Accounts, after consultation
9 with the department, shall review each district's budget statement
10 for statutory compliance, make necessary changes in the budget
11 documents for districts to effectuate the budget limitations
12 imposed pursuant to sections 79-1023 to 79-1030, and notify the
13 Commissioner of Education (a) of any district failing to submit to
14 the department or the auditor the budget documents required
15 pursuant to this subsection by the date established in subsection
16 (1) of section 13-508 or failing to make any corrections of errors
17 in the documents pursuant to section 13-504 and (b) of any Class I
18 district failing to submit the items required by ~~such~~ this
19 subsection to its high school districts by the date established in
20 section 79-1083.03.

21 (2) If a school district fails to submit to the
22 department or the auditor the budget documents required pursuant to
23 subsection (1) of this section by the date established in
24 subsection (1) of section 13-508 or fails to make any corrections
25 of errors in the documents pursuant to section 13-504 or a Class I
26 district fails to submit the items required by such subsection to
27 its high school districts by the date established in section
28 79-1083.03, the commissioner, upon notification from the auditor or

1 upon his or her own knowledge that the required budget documents
2 and any required corrections of errors from any school district
3 have not been properly filed in accordance with the Nebraska Budget
4 Act and after notice to the district and an opportunity to be
5 heard, shall direct that any state aid granted pursuant to the Tax
6 Equity and Educational Opportunities Support Act be withheld until
7 such time as the required budget documents or corrections of errors
8 are received by the auditor and the department. In addition, the
9 commissioner shall notify the county superintendent to direct the
10 county treasurer to withhold all school money belonging to the
11 school district until such time as the commissioner notifies the
12 county superintendent of receipt of the required budget documents
13 or corrections of errors. The county treasurer shall withhold such
14 money. If the school district does not comply with this section
15 prior to the end of the state's biennium following the biennium
16 which included the fiscal year for which state aid was calculated,
17 the state aid funds shall revert to the General Fund. The amount
18 of any reverted funds shall be included in data provided to the
19 Governor in accordance with section 79-1031. The board of any
20 district failing to submit to the department or the auditor the
21 budget documents required pursuant to this section by the date
22 established in subsection (1) of section 13-508 or failing to make
23 any corrections of errors in the documents pursuant to section
24 13-504 or the board of a Class I district failing to submit the
25 items required by such subsection to its high school districts by
26 the date established in section 79-1083.03 shall be liable to the
27 school district for all school money which such district may lose
28 by such failing.

1 Sec. 25. Section 79-1026, Revised Statutes Supplement,
2 1998, is amended to read:

3 79-1026. On or before December 1 of each year, the
4 department shall determine and certify to each Class II, III, IV,
5 V, or VI district an applicable allowable growth percentage carried
6 out at least four decimal places for each local system as follows:

7 (1) For each school fiscal year, the department shall
8 determine a target budget level for each local system by
9 multiplying the adjusted formula students as calculated pursuant to
10 section 79-1007.01 by the cost grouping cost per student as
11 calculated under section 79-1007.02. The sum of such product and
12 the local system's special ~~education~~ receipts allowance and
13 transportation allowance shall be each local system's target budget
14 level;

15 (2) The department shall establish a target budget level
16 range of general fund operating expenditure levels for each school
17 fiscal year for each local system which shall begin at twenty
18 percent less than the target budget level and end at the target
19 budget level. The beginning point of the range shall be assigned a
20 number equal to the maximum allowable growth rate established in
21 section 79-1025, and the end point of the range shall be assigned a
22 number equal to the basic allowable growth rate as prescribed in
23 such section such that the lower end of the range shall be assigned
24 the maximum allowable growth rate and the higher end of the range
25 shall be assigned the basic allowable growth rate; and

26 (3) For each school fiscal year, each local system's
27 general fund operating expenditures shall be compared to its target
28 budget level along the range described in subdivision (2) of this

1 section to arrive at an applicable allowable growth rate as
 2 follows: If each local system's general fund operating expenditures
 3 fall below the lower end of the range, such applicable allowable
 4 growth rate shall be the maximum growth rate identified in section
 5 79-1025. If each local system's general fund operating
 6 expenditures are greater than the higher end of the range, the
 7 local system's allowable growth rate shall be the basic growth rate
 8 identified in such section. If each local system's general fund
 9 operating expenditures fall between the lower end and the higher
 10 end of the range, the department shall use a linear interpolation
 11 calculation between the end points of the range to arrive at the
 12 applicable allowable growth rate for the local system.

13 Sec. 26. Section 79-1027, Revised Statutes Supplement,
 14 1998, is amended to read:

15 79-1027. No district shall adopt a budget, which
 16 includes total requirements of contingency funds, total
 17 requirements of depreciation funds, necessary employee benefit fund
 18 cash reserves, and necessary general fund cash reserves, exceeding
 19 the applicable allowable reserve percentages of total general fund
 20 budget of expenditures as specified in the schedule set forth in
 21 this section.

22	Average daily	Allowable reserve
23	membership of	reserve
24	district	percentage
25	0 - 471	45
26	471.01 - 3,044	35
27	3,044.01 - 10,000	25
28	10,000.01 and over	20

1 On or before December 1 of each year, the department
2 shall determine and certify each district's applicable allowable
3 reserve percentage.

4 Each district with combined necessary general fund cash
5 reserves, total requirements of depreciation funds, necessary
6 employee benefit fund cash reserves, and total requirements of
7 contingency funds less than the applicable allowable reserve
8 percentage specified in this section may, notwithstanding the
9 district's applicable allowable growth percentage, increase its
10 necessary general fund cash reserves by an amount which will
11 increase its combined necessary general fund cash reserves, total
12 requirements of depreciation funds, necessary employee benefit fund
13 cash reserves, and total requirements of contingency funds by two
14 percent of its total general fund budget of expenditures, except
15 that (1) a district shall not increase such necessary general fund
16 cash reserves when such increase will result in total necessary
17 general fund cash reserves, total requirements of depreciation
18 funds, necessary employee benefit fund cash reserves, and total
19 requirements of contingency funds which exceed the applicable
20 allowable reserve percentage and (2) a district may increase such
21 necessary general fund cash reserves in excess of such two percent
22 limitation due to projected increases in federal funds.

23 Sec. 27. Section 79-1027.01, Revised Statutes
24 Supplement, 1998, is amended to read:

25 79-1027.01. ~~Beginning with school fiscal year 1998-99,~~
26 ~~if~~ If the total levy required for property tax requests for all
27 general fund budgets in a local system exceeds the amount that can
28 be generated by the maximum levy pursuant to subdivision (2)(a) of

1 section 77-3442, the high school district shall be entitled to take
2 the necessary steps to comply with such maximum levy by:

3 (1) Reducing the property tax request for each district
4 up to the amount by which the district's budgeted general fund cash
5 reserve exceeds fifteen percent of the district's general fund
6 budget of expenditures for the preceding school fiscal year, and
7 for Class I districts, this difference multiplied by the percentage
8 of affiliation with the high school district;

9 (2) If the reductions under subdivision (1) of this
10 section do not reduce the required levy to the maximum levy
11 permitted under subdivision (2)(a) of section 77-3442, reducing the
12 property tax request for each district proportionately based on the
13 amount of the difference between the district's general fund budget
14 of expenditures minus the special education budget of expenditures
15 for the current budget year and a two-year average for the two
16 preceding school fiscal years of the general fund budget of
17 expenditures minus the special education budget of expenditures up
18 to such difference, and for Class I districts, this difference
19 multiplied by the percentage of affiliation with the high school
20 district; and

21 (3) If the reductions under subdivisions (1) and (2) of
22 this section do not reduce the required levy to the maximum levy
23 permitted under subdivision (2)(a) of section 77-3442, reducing the
24 property tax request for each district by an amount proportional to
25 the district's share of the total property tax request for the
26 preceding school fiscal year such that the required local system
27 levy shall be the maximum levy allowed under subdivision (2)(a) of
28 section 77-3442. Class I districts with multiple affiliations

1 which are required under one or more of such affiliations to reduce
2 their general fund property tax request shall make such reduction
3 as necessary to effect the total required from this calculation
4 within each local system requiring the reduction.

5 Sec. 28. Section 79-1029, Revised Statutes Supplement,
6 1998, is amended to read:

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

19 (2) A Class II, III, IV, V, or VI district may exceed the
20 applicable allowable growth percentage prescribed in section
21 79-1026 by an amount approved by a majority of legal voters voting
22 on the issue at a special election called for such purpose upon the
23 recommendation of the board or upon the receipt by the county clerk
24 or election commissioner of a petition requesting an election
25 signed by at least five percent of the legal voters of the
26 district. The recommendation of the board or the petition of the
27 legal voters shall include the amount and percentage by which the
28 board would increase its general fund budget of expenditures for

1 the ensuing school year over and above the current year's general
2 fund budget of expenditures. The county clerk or election
3 commissioner shall call for a special election on the issue within
4 fifteen days after the receipt of such board recommendation or
5 legal voter petition. The election shall be held pursuant to the
6 Election Act, and all costs shall be paid by the district. The
7 issue may be approved on the same question as a vote to exceed the
8 levy limits provided in section 77-3444.

9 Sec. 29. Section 79-1063, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-1063. The State Department of Education Trust Fund is
12 created. The fund shall consist of all property, real or personal,
13 acquired by donation, devise, or bequest by the Nebraska School for
14 the Visually Handicapped, ~~by the Nebraska School for the Deaf, or~~
15 ~~by any school for children with mental retardation which is~~
16 ~~exclusively owned by the State of Nebraska and under the control~~
17 ~~and supervision of the State Department of Education or the~~
18 Nebraska Center for the Education of Children who are Blind or
19 Visually Impaired and all money derived from the sale or lease of
20 property donated, devised, or bequeathed to ~~any such school the~~
21 school or center. Out of money in such fund not restricted from
22 such use by the terms of the donation, devise, or bequest, an
23 emergency cash fund of not to exceed five hundred dollars shall be
24 established for immediate and unusual needs as may arise. Such
25 emergency cash fund shall be reimbursed from the State Department
26 of Education Trust Fund for any expenditures.

27 Any money in the State Department of Education Trust Fund
28 available for investment shall be invested by the state investment

1 officer pursuant to the Nebraska Capital Expansion Act and the
2 Nebraska State Funds Investment Act, subject to the following
3 exceptions: (1) No such investment need be made if, according to
4 the terms of the donation, devise, or bequest, the State Board of
5 Education is not limited to the expenditure of only the interest or
6 income derived from the donation, devise, or bequest; and (2) no
7 such investment shall be made if the will or instrument making such
8 donation, devise, or bequest makes other provisions or directions
9 as to investment and in such cases the state investment officer,
10 acting for the State Board of Education, shall comply with the
11 provisions or directions of such will or instrument if such
12 provisions or directions are not inconsistent with the laws of this
13 state.

14 Sec. 30. Section 79-1072.01, Revised Statutes
15 Supplement, 1998, is amended to read:

16 79-1072.01. (1) Temporary mitigation funds shall be
17 distributed to local systems which have property tax and state aid
18 resources for school fiscal year 1998-99 which are less than ninety
19 percent of their property tax and state aid resources for school
20 fiscal year 1997-98. The local system shall receive a lump-sum
21 payment in an amount equal to ninety percent of the school fiscal
22 year 1997-98 property tax and state aid resources minus the school
23 fiscal year 1998-99 property tax and state aid resources if the
24 following criteria are met:

25 (a) The local system's school fiscal year 1997-98 general
26 fund budget of expenditures minus the special education budget of
27 expenditures did not exceed the school fiscal year 1995-96 general
28 fund budget of expenditures minus the special education budget of

1 expenditures by more than two percent plus the two-year percentage
2 growth in students for the local system; and

3 (b)(i) The local system has shown an intent to merge,
4 consolidate, or unify with at least one specified high school
5 district by June 1, 1999, through a public affirmative vote by the
6 school board of the high school district in the local system with a
7 majority of the members of the school board signing an affidavit
8 acknowledging that the intent of the signing board member is to
9 proceed with a merger, consolidation, or unification involving the
10 district on the board of which they are serving. Affidavits shall
11 be filed with the State Department of Education on or before August
12 1, 1998. The temporary mitigation funds provided in this section
13 shall be returned if the receiving district does not merge,
14 consolidate, or unify prior to June 30, 2000. The temporary
15 mitigation funds need not be returned if, prior to June 30, 2000,
16 the receiving district is unable as determined by the State
17 Committee for the Reorganization of School Districts to merge,
18 consolidate, or unify despite good faith efforts because all
19 districts with which the receiving district could reasonably be
20 expected to merge, consolidate, or unify declined such merger,
21 consolidation, or unification;

22 (ii) The local system is within the sparse cost grouping
23 or the very sparse cost grouping pursuant to section 79-1007.02;

24 (iii) The local system contains more than one hundred
25 seventy-five square miles; or

26 (iv) The local system is subject to loss of state aid due
27 to clerical error as defined in subsection (4) of section 79-1016.

28 (2) If the payments due to local systems under this

1 section exceed the amount of funds appropriated by the Legislature,
2 the funds shall be distributed on a pro rata basis to such local
3 systems. Payments shall be made on or before September 15, 1998.
4 Payments to local systems that include Class I districts shall be
5 divided proportionally among the districts in the local system
6 based on the weighted formula students attributed to each district
7 in the local system for the certification of state aid to be paid
8 in school fiscal year 1998-99. The department shall identify local
9 systems which qualify for payments under this section and shall
10 distribute the funds to the districts in qualifying local systems.

11 (3) The department shall adjust payments of state aid as
12 defined in subdivision (35) of section 79-1003 to those school
13 districts which received temporary mitigation funds and did not
14 merge after a final determination by the State Committee for the
15 Reorganization of School Districts. If the total adjustment cannot
16 be made from the funds to be provided in the ensuing school fiscal
17 year, the adjustment shall be prorated, with additional adjustments
18 to payments for the future school fiscal years. The department
19 shall maintain an accurate account and a record of the reasons the
20 adjustments were made and the amount of such adjustments.

21 (4) For purposes of this section:

22 (a) Local system has the definition found in section
23 79-1003;

24 (b) Property tax and state aid resources for school
25 fiscal year 1997-98 means the sum of state aid distributed pursuant
26 to the Tax Equity and Educational Opportunities Support Act for
27 school fiscal year 1997-98 plus the product of the general fund
28 common levy for school fiscal year 1997-98 multiplied by the local

1 system's assessed valuation for 1997;

2 (c) Property tax and state aid resources for school
3 fiscal year 1998-99 means the sum of state aid certified pursuant
4 to the Tax Equity and Educational Opportunities Support Act for
5 school fiscal year 1998-99 plus the product of a levy of one dollar
6 and ten cents per one hundred dollars multiplied by the local
7 system's adjusted valuation for 1998 as certified by the Property
8 Tax Administrator on or before July 1, 1998; and

9 (d) Two-year percentage growth in students means the sum
10 of the growth in students for school fiscal year 1996-97 and school
11 fiscal year 1997-98 to be calculated by applying the methodology in
12 section 79-1025 as it existed on January 1, 1998, except that
13 growth in students is calculated for local systems rather than
14 districts and may be negative for each school fiscal year for the
15 purpose of adding the growth in students together from each school
16 fiscal year but the two-year percentage growth rate shall be zero
17 if the sum is negative.

18 Sec. 31. Section 79-1083.02, Revised Statutes
19 Supplement, 1998, is amended to read:

20 79-1083.02. On or before December 1 of each year the
21 State Department of Education shall designate a primary high school
22 district for each Class I school district for the following school
23 fiscal year. The primary high school district shall be the one
24 Class II, III, IV, V, or VI school district or the unified system
25 with which the greatest share of the Class I district's assessed
26 valuation is affiliated or of which such share is a part for the
27 school fiscal year immediately preceding the school fiscal year ~~in~~
28 for which the primary high school district determination is made.

1 The department shall certify to all school districts and all county
2 clerks the primary high school district for each Class I district.

3 Sec. 32. Section 79-1083.03, Revised Statutes
4 Supplement, 1998, is amended to read:

5 79-1083.03. (1)(a) If the primary high school district
6 designated pursuant to section 79-1083.02 is a Class VI district,
7 the Class I district's total allowable general fund budget of
8 expenditures minus the special education budget of expenditures
9 shall be determined by the school board of such Class VI district
10 and shall be certified to the Class I district on or before January
11 1 of each year for the following school fiscal year.

12 (b) The Class VI primary high school district shall
13 certify the total allowable general fund budget of expenditures
14 minus the special education budget of expenditures for the Class I
15 district to the State Department of Education on or before April 1.

16 (2) If the primary high school district is not a Class VI
17 district, the Class I district's total allowable general fund
18 budget of expenditures minus the special education budget of
19 expenditures shall be determined by the department as follows and
20 certified on or before December 1 of each year for the following
21 school fiscal year:

22 (a) The total allowable general fund budget of
23 expenditures minus the special education budget of expenditures for
24 the Class I district in the school fiscal year immediately
25 preceding the school fiscal year for which the budget is prepared
26 shall be divided by the formula students in the Class I district as
27 defined in section 79-1003, and the result shall be increased by
28 the applicable allowable growth rate for the primary high school

1 district's local system for the ensuing school fiscal year
2 calculated pursuant to section 79-1026 as determined on or before
3 December 1 of the school fiscal year immediately preceding the
4 school fiscal year for which the budget is prepared;

5 (b) The total allowable general fund budget of
6 expenditures minus the special education budget of expenditures for
7 the primary high school district in the school fiscal year
8 immediately preceding the school fiscal year for which the budget
9 is prepared shall be divided by the formula students as defined in
10 section 79-1003 in the primary high school district weighted by the
11 grade weighting factors contained in subdivision (1)(a) of section
12 79-1007.01, and the result shall be multiplied by the kindergarten
13 through grade eight formula students as defined in section 79-1003
14 weighted by the grade weighting factors contained in subdivision
15 (1)(a) of section 79-1007.01 to calculate the total allowable
16 general fund budget of expenditures minus the special education
17 budget of expenditures for kindergarten through grade eight in the
18 primary high school district. The total allowable general fund
19 budget of expenditures minus the special education budget of
20 expenditures for kindergarten through grade eight shall be divided
21 by the kindergarten through grade eight formula students without
22 weighting. The result shall be increased by the applicable
23 allowable growth rate for the primary high school district's local
24 system for the ensuing school fiscal year calculated pursuant to
25 section 79-1026 as determined on or before December 1 of the school
26 fiscal year immediately preceding the school fiscal year for which
27 the budget is prepared;

28 (c) The amounts calculated in subdivisions (2)(a) and

1 (2)(b) of this section shall be summed and the result divided by
2 two to arrive at the total allowable general fund budget of
3 expenditures minus the special education budget of expenditures per
4 formula student for the Class I district; and

5 (d) The total allowable general fund budget of
6 expenditures minus the special education budget of expenditures per
7 formula student for the Class I district shall be multiplied by the
8 formula students as defined in section 79-1003 for the Class I
9 district as used by the department for certification of the ensuing
10 school fiscal year's state aid, and the result shall be the total
11 allowable general fund budget of expenditures minus the special
12 education budget of expenditures for the Class I district for the
13 ensuing school fiscal year except as provided in subsection (3) of
14 this section.

15 (3)(a) The school board of the Class I district may,
16 prior to February 1 of each year beginning in 1998, submit a
17 request to exceed the total allowable general fund budget of
18 expenditures minus the special education budget of expenditures to
19 all the school boards of the high school district or districts with
20 which the Class I district is affiliated or of which it is a part.
21 For Class I districts to exceed the total allowable general fund
22 budget of expenditures minus the special education budget of
23 expenditures, the request shall be approved by high school
24 districts, including the primary high school district, such that
25 the portions of the Class I district that are affiliated with or
26 part of the approving high school districts comprise at least
27 two-thirds of the assessed valuation of the Class I district. Such
28 request shall specify the total general fund budget of

1 expenditures, broken down by expenditures for special education,
 2 regular education, and for special grant funds as defined in
 3 section 79-1003, for which the Class I district seeks authority.

4 (b) The high school district shall ~~act on~~ approve or deny
 5 the request by March 1 following the receipt of such request and
 6 shall forward written notification to the Class I district of
 7 approval or denial. A request for additional budget authority
 8 shall be considered approved if no action is taken by the high
 9 school district.

10 (4) ~~For school fiscal year 1998-99 and each school fiscal~~
 11 ~~year thereafter, all~~ All Class I districts shall certify the items
 12 required by subsection (1) of section 13-508 to all of their high
 13 school districts on or before August 1.

14 (5) All primary high school districts shall certify to
 15 the department and all other affected districts, on or before April
 16 1, the approved ~~budget authority~~ total general fund budget of
 17 expenditures for a Class I district when the Class I district has
 18 requested to exceed its certified budget authority and the request
 19 has been approved.

20 Sec. 33. Section 79-1090, Revised Statutes Supplement,
 21 1998, is amended to read:

22 79-1090. When a school board of any class of school
 23 district fails to approve a school district budget on or before
 24 ~~September 10~~ the date required by section 13-508, the county
 25 superintendent of the county where the administrative headquarters
 26 of the school district is located shall prepare and file a budget
 27 document in accordance with the Nebraska Budget Act for the school
 28 district's general fund and for each other fund for which the

1 district budgeted in the immediately preceding fiscal year. The
2 document shall use the total budget of expenditures and cash
3 reserves from the immediately preceding school fiscal year, except
4 that in no case shall the budget of expenditures or cash reserves
5 exceed any limits prescribed in the Tax Equity and Educational
6 Opportunities Support Act or other state laws. The county
7 superintendent shall also estimate the revenue from sources other
8 than property tax for each fund in accordance with subdivision
9 (1)(c) of section 13-504 and section 79-1022.

10 Sec. 34. Section 79-10,110, Revised Statutes Supplement,
11 1998, is amended to read:

12 79-10,110. (1) A school board, ~~or board of education,~~
13 after making a determination that an actual or potential
14 environmental hazard or accessibility barrier exists within the
15 school buildings or grounds under its control, may make and deliver
16 to the county clerk of such county in which any part of the school
17 district is situated, not later than the date provided in section
18 13-508, an itemized estimate of the amounts necessary to be
19 expended for the abatement of such environmental hazard or
20 accessibility barrier elimination in its school buildings or
21 grounds. The board shall conduct a public hearing on the itemized
22 estimate prior to presenting such estimate to the county clerk.
23 Notice of the place and time of such hearing shall, at least five
24 days prior to the date set for hearing, be published in a newspaper
25 of general circulation within the school district or be sent by
26 direct mailing to each resident within the district.

27 (2) The board shall designate the particular
28 environmental hazard abatement project or accessibility barrier

1 elimination project for which the tax levy provided for by this
2 section will be expended, the period of years, which shall not
3 exceed ten years, for which the tax will be levied for such
4 project, and the amount of the levy for each year of the period.
5 The board may designate more than one project and levy a tax
6 pursuant to this section for each such project, concurrently or
7 consecutively, as the case may be, if the aggregate levy in each
8 year and the duration of each levy will not exceed the limitations
9 specified in this section. Each levy for a project which is
10 authorized by this section may be imposed for such duration as
11 shall be specified by the board notwithstanding the contemporaneous
12 existence or subsequent imposition of any other levy for another
13 project imposed pursuant to this section and notwithstanding the
14 subsequent issuance by the district of bonded indebtedness payable
15 from its general fund levy.

16 (3) The county clerk shall levy such taxes, not to exceed
17 five and one-fifth cents per one hundred dollars of taxable
18 valuation for Class II, III, IV, V, and VI districts, and not to
19 exceed the limits set for Class I districts in section 79-10,124,
20 on the taxable property of the district necessary to cover the
21 project costs itemized by the board. Such taxes shall be collected
22 by the county treasurer at the same time and in the same manner as
23 county taxes are collected and when collected shall be paid to the
24 treasurer of the district and used to cover the project costs.

25 (4) If such board operates grades nine through twelve as
26 part of an affiliated school system, it shall designate the
27 fraction of the project to be conducted for the benefit of grades
28 nine through twelve. Such fraction shall be raised by a levy

1 placed upon all of the taxable value of all taxable property in the
2 affiliated school system pursuant to subsection (2) of section
3 79-1075. The balance of the project to be conducted for the
4 benefit of grades kindergarten through eight shall be raised by a
5 levy placed upon all of the taxable value of all taxable property
6 in the district which is governed by such board. The combined rate
7 for both levies in the high school district, to be determined by
8 such board, shall not exceed five and one-fifth cents on each one
9 hundred dollars of taxable value.

10 (5) Each board which submits an itemized estimate shall
11 establish an environmental hazard abatement and accessibility
12 barrier elimination project fund. Taxes collected pursuant to this
13 section shall be credited to such fund to cover the project costs.
14 Such estimates may be presented to the county clerk and taxes
15 levied accordingly. The Director of Regulation and Licensure
16 shall, by January 1 of the years 1993, 1995, 1997, and 1999,
17 deliver a report to the Legislature estimating the amount of
18 hazardous materials which remain in the public schools of the
19 state.

20 (6) The itemized estimate submitted by a board may
21 include the actual cost of abatement of an environmental hazard
22 when such abatement occurred prior to the delivery of such estimate
23 to the county clerk and was completed after June 28, 1982.

24 (7) For purposes of this section:

25 (a) Abatement includes, but is not limited to, any
26 inspection and testing regarding environmental hazards, any
27 maintenance to reduce, lessen, put an end to, diminish, moderate,
28 decrease, control, dispose of, or eliminate environmental hazards,

1 any removal or encapsulation of environmentally hazardous material
2 or property, any restoration or replacement of material or
3 property, any related architectural and engineering services, and
4 any other action to reduce or eliminate environmental hazards in
5 the school buildings or on the school grounds under the board's
6 control, except that abatement does not include the encapsulation
7 of any material containing more than one percent friable asbestos;

8 (b) Accessibility barrier means anything which impedes
9 entry into, exit from, or use of any building or facility by all
10 people;

11 (c) Accessibility barrier elimination includes, but is
12 not limited to, inspection for and removal of accessibility
13 barriers, maintenance to reduce, lessen, put an end to, diminish,
14 control, dispose of, or eliminate accessibility barriers, related
15 restoration or replacement of facilities or property, any related
16 architectural and engineering services, and any other action to
17 eliminate accessibility barriers in the school buildings or grounds
18 under the board's control; and

19 (d) Environmental hazard means any contamination of the
20 air, water, or land surface or subsurface caused by any substance
21 adversely affecting human health or safety if such substance has
22 been declared hazardous by a federal or state statute, rule, or
23 regulation.

24 (8) Accessibility barrier elimination project costs
25 includes, but is not limited to, inspection, maintenance,
26 accounting, emergency services, consultation, or any other action
27 to reduce or eliminate accessibility barriers.

28 (9) For the purpose of paying amounts necessary for the

1 abatement of environmental hazards and accessibility barrier
2 elimination, the board may borrow money and issue bonds and other
3 evidences of indebtedness of the district, which bonds and other
4 evidences of indebtedness shall be secured by and payable from an
5 irrevocable pledge by the district of amounts received in respect
6 of the tax levy provided for by this section and any other funds of
7 the district available therefor. Bonds and other evidences of
8 indebtedness issued by a district pursuant to this subsection shall
9 not constitute a general obligation of the district or be payable
10 from any portion of its general fund levy.

11 Sec. 35. Section 79-10,124, Revised Statutes Supplement,
12 1998, is amended to read:

13 79-10,124. The amount of special tax levied under
14 sections 79-10,122 to 79-10,125 shall not exceed five cents on each
15 one hundred dollars upon the taxable value of all taxable property
16 in the school district above the amount allowed by law for general
17 school purposes when combined with the tax levied by a Class I
18 district under section 79-10,110, and the total amount voted for
19 the period of years shall not exceed five percent of the taxable
20 valuation of the school district.

21 For Class I districts, the school board of the primary
22 high school district designated pursuant to section 79-1083.02 must
23 approve any use of the special tax levied under sections 79-10,110
24 and 79-10,122 to 79-10,125 and provide written notification of such
25 approval to the Class I district school board.

26 Sec. 36. Section 79-1118.01, Revised Statutes
27 Supplement, 1998, is amended to read:

28 79-1118.01. Disability means an impairment which causes

1 a child to be classified as mentally retarded, hard of hearing,
2 deaf, speech and language impaired, blind and visually impaired,
3 behaviorally disordered, orthopedically impaired, other health
4 impaired, deaf-blind, or developmentally delayed, or as having
5 multiple disabilities or specific learning disabilities, traumatic
6 brain injury, or autism and causes such child to need special
7 education and related services. For purposes of this section:

8 (1) Autism means a developmental disability significantly
9 affecting verbal and nonverbal communication and social
10 interaction, generally evident before age three, that adversely
11 affects a child's educational performance. Other characteristics
12 often associated with autism are engagement in repetitive
13 activities and stereotyped movements, resistance to environmental
14 change or change in daily routines, and unusual responses to
15 sensory experiences. Autism does not apply if a child's
16 educational performance is adversely affected primarily because the
17 child has a serious emotional disturbance;

18 (2) Behaviorally disordered means a condition in which a
19 child exhibits one or more of the following characteristics over a
20 long period of time and to a marked degree which adversely affects
21 educational performance:

22 (a) An inability to learn which cannot be explained by
23 intellectual, sensory, or health factors;

24 (b) An inability to build or maintain satisfactory
25 interpersonal relationships with peers and teachers;

26 (c) Inappropriate types of behavior or feelings under
27 normal circumstances;

28 (d) A general pervasive mood of unhappiness or

1 depression; or

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

4 Behaviorally disordered includes schizophrenia but does
5 not include social maladjustment unless the characteristics defined
6 in subdivision (a) or (b) of this subdivision are also present;

7 (3) Blind and visually impaired means partially seeing or
8 blind, which visual impairment, even with correction, adversely
9 affects a child's educational performance;

10 (4) Deaf means a hearing impairment which is so severe
11 that processing linguistic information through hearing, with or
12 without amplification, is impaired to the extent that educational
13 performance is adversely affected;

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

19 (6) Developmental delay means a significant delay in
20 function in one or more of the following areas: (a) Cognitive
21 development; (b) physical development; (c) communication
22 development; (d) social or emotional development; or (e) adaptive
23 behavior or skills development;

24 (7) Hard of hearing means a hearing impairment, whether
25 permanent or fluctuating, which adversely affects educational
26 performance but is not included under the term deaf in subdivision
27 (4) of this section;

28 ~~(7)~~ (8) Mentally retarded means a condition in which a

1 child exhibits significantly subaverage general intellectual
2 functioning existing concurrently with deficits in adaptive
3 behavior and manifested during the developmental period which
4 adversely affects educational performance;

5 ~~(8)~~ (9) Multiple disabilities means concomitant
6 impairments, such as mentally retarded-blind or mentally
7 retarded-orthopedically impaired, the combination of which causes
8 such severe educational problems that a child with such impairments
9 cannot be accommodated in special education programs for one of the
10 impairments. Multiple disabilities does not include deaf-blind;

11 ~~(9)~~ (10) Orthopedically impaired means a severe
12 orthopedic impairment which adversely affects a child's educational
13 performance. Severe orthopedic impairments include impairments
14 caused by (a) congenital anomaly, including, but not limited to,
15 clubfoot or absence of a member, (b) disease, including, but not
16 limited to, poliomyelitis or bone tuberculosis, or (c) other
17 causes, including, but not limited to, cerebral palsy, amputations,
18 and fractures and burns which cause contractures;

19 ~~(10)~~ (11) Other health impaired means having limited
20 strength, vitality, or alertness due to chronic or acute health
21 problems, including, but not limited to, a heart condition,
22 tuberculosis, rheumatic fever, nephritis, asthma, sickle cell
23 anemia, hemophilia, epilepsy, lead poisoning, leukemia, or
24 diabetes, which adversely affects a child's educational
25 performance;

26 ~~(11)~~ (12) Specific learning disability means a disorder
27 in one or more of the basic psychological processes involved in
28 understanding or in using language, spoken or written, which may

1 manifest itself in an imperfect ability to listen, think, speak,
2 read, write, spell, or do mathematical calculations. Specific
3 learning disability includes, but is not limited to, perceptual
4 disabilities, brain injury, minimal brain dysfunction, dyslexia,
5 and developmental aphasia;

6 ~~(12)~~ (13) Speech-and-language-impaired means having a
7 communication disorder such as stuttering, impaired articulation,
8 language impairments, or voice impairment which adversely affects a
9 child's educational performance; and

10 ~~(13)~~ (14) Traumatic brain injury means an acquired injury
11 to the brain caused by an external physical force, resulting in
12 total or partial functional disability or psychosocial impairment,
13 or both, that adversely affects a child's educational performance.
14 Traumatic brain injury applies to open or closed head injuries
15 resulting in impairments in one or more areas, including cognition;
16 language; memory; attention; reasoning; abstract thinking;
17 judgment; problem solving; sensory, perceptual, and motor
18 abilities; psychosocial behavior; physical functions; information
19 processing; and speech. Traumatic brain injury does not include
20 brain injuries that are congenital or degenerative or brain
21 injuries induced by birth trauma.

22 The State Department of Education may group or subdivide
23 the classifications of children with disabilities for the purpose
24 of program description and reporting. The department shall
25 establish eligibility criteria and age ranges for the disability
26 classification of developmental delay.

27 Sec. 37. Section 79-1128, Revised Statutes Supplement,
28 1998, is amended to read:

1 79-1128. The special education programs required by
2 section 79-1127 may be provided by any school district, by
3 contracting with another school district or service agency, or by
4 some combination of school districts, an educational service unit,
5 combination of educational service units, the local or regional
6 office of mental retardation, any program approved by the State of
7 Nebraska, or any combination thereof, except that only nonsectarian
8 services shall be considered for approval by the State of Nebraska.
9 Any office of mental retardation program receiving funds under the
10 Special Education Act shall not use such funds to match state funds
11 under the provisions of other programs. The members of the school
12 board ~~or board of education~~ of any school district not offering
13 continuous special education programs acceptable to the State Board
14 of Education shall be in violation of the law. No state funds
15 shall be paid to any school district as long as such violation
16 exists, but no deduction shall be made from any funds required by
17 the Constitution of Nebraska to be paid to such district. ~~On~~
18 ~~December 31 of each year, the Commissioner of Education shall~~
19 ~~present to the State Board of Education, the Attorney General, the~~
20 ~~Department of Administrative Services, the State Treasurer, and the~~
21 ~~Executive Board of the Legislative Council a list of all school~~
22 ~~districts not providing or contracting for approved programs.~~

23 Sec. 38. Section 79-1135, Revised Statutes Supplement,
24 1998, is amended to read:

25 79-1135. Each school district shall demonstrate
26 participation in a plan of services for children with disabilities
27 who are less than five years of age. Such plans shall be prepared
28 on a regional basis as determined by the State Department of

1 Education and updated annually. The contents of the plans shall
2 include, but not be limited to:

3 (1) A listing of the programs existing during the initial
4 planning period and the personnel involved and their
5 qualifications;

6 (2) A census by name, school district of residence, and
7 disability of all children with disabilities who are less than five
8 years of age;

9 (3) A procedure for identification and referral of
10 children with disabilities;

11 (4) An agreement setting forth the responsibilities and
12 level of participation of each service agency within the region;
13 and

14 (5) Budgets for the proposed program.

15 ~~Plans for program expansions, revisions, and reductions~~
16 ~~and budget information on programs for children with disabilities~~
17 ~~who are less than five years of age shall be reported annually on~~
18 ~~dates specified by the State Department of Education.~~ The content
19 of ~~such~~ plans and the required budget information shall be
20 prescribed by the department.

21 ~~The State Board of Education shall annually approve,~~
22 ~~approve with modifications, or disapprove the requests for program~~
23 ~~expansions.~~ Supplementary amendments to any program plans and
24 budgets previously approved by the State Board of Education may be
25 submitted on dates specified by the department during the same
26 school year and shall be subject to the same review as the initial
27 plans and budgets.

28 Sec. 39. Section 79-1138, Revised Statutes Supplement,

1 1998, is amended to read:

2 79-1138. (1) The State Board of Education shall adopt
3 and promulgate rules and regulations ~~to be effective after August~~
4 ~~17, 1987,~~ establishing criteria for the assessment, identification,
5 and verification of all disabilities defined in section 79-1118.01
6 to the extent that such disabilities are consistent with federal
7 law and regulation.

8 (2) The State Board of Education shall develop guidelines
9 ~~prior to August 17, 1987,~~ to assist school districts, educational
10 service units, and approved cooperatives with the assessment,
11 identification, and verification of the need for related services
12 defined in section 79-1121.

13 Sec. 40. Section 79-1140, Revised Statutes Supplement,
14 1998, is amended to read:

15 79-1140. Except as provided in sections 79-232 to
16 79-246, ~~and 79-1141,~~ each school district shall pay an amount equal
17 to the average per pupil cost of the service agency of the
18 preceding year or the cost as agreed upon pursuant to the contract
19 to the agency providing the educational program for every child
20 with a disability who is a resident of the district and is
21 attending an educational program not operated by the school
22 district, including programs operated by the State Department of
23 Education, the Department of Health and Human Services, and any
24 other service agency whose programs are approved by the State
25 Department of Education.

26 Sec. 41. Section 79-1142, Revised Statutes Supplement,
27 1998, is amended to read:

28 79-1142. (1) Level I services refers to services

1 provided to children with disabilities who require an aggregate of
2 not more than three hours per week of special education services
3 and support services and includes all administrative, diagnostic,
4 consultative, and vocational-adjustment counselor services.
5 Support services means preventive services for students not
6 identified or verified as having a disability pursuant to sections
7 79-1118.01 and 79-1138 but who demonstrate a need for specially
8 designed assistance in order to benefit from the school's general
9 education curriculum. The total allowable reimbursable cost for
10 support services shall not exceed a percentage, established by the
11 State Board of Education, of the school district's or approved
12 cooperative's total allowable reimbursable cost for all special
13 education programs and support services. The percentage
14 established by the State Board of Education for support services
15 shall not exceed ten percent.

16 (2) ~~For special education programs provided in fiscal~~
17 ~~years 1995-96 and 1996-97, the State Department of Education shall~~
18 ~~reimburse each school district in the following school fiscal year~~
19 ~~a pro rata amount determined by the State Board of Education from~~
20 ~~appropriations for special education approved by the Legislature~~
21 ~~and based on allowable excess costs for all special education~~
22 ~~programs.~~ For special education and support services provided in
23 school fiscal year 1997-98 and each school fiscal year, thereafter,
24 the State Department of Education shall reimburse each school
25 district in the following school fiscal year a pro rata amount
26 determined by the State Board of Education from appropriations for
27 special education approved by the Legislature and based on
28 allowable excess costs for all special education programs and

1 support services.

2 (3) Cooperatives of school districts or educational
3 service units shall also be eligible for reimbursement for
4 cooperative programs pursuant to this section if such cooperatives
5 or educational service units have complied with the reporting and
6 approval requirements of section 79-1155 for cooperative programs
7 which were offered the preceding year. The payments shall be made
8 by the State Department of Education to the school district of
9 residence, cooperative of school districts, or educational service
10 unit each year in a minimum of seven payments between the fifth and
11 twentieth day of each month beginning in December. Additional
12 payments may be made based upon additional valid claims submitted.
13 The State Treasurer shall, between the fifth and twentieth day of
14 each month, notify the Director of Administrative Services of the
15 amount of funds available in the General Fund for payment purposes.
16 The director shall, upon receiving such certification, draw
17 warrants against funds appropriated.

18 Sec. 42. Section 79-1144, Revised Statutes Supplement,
19 1998, is amended to read:

20 79-1144. Funds shall be appropriated by the Legislature
21 to carry out sections ~~79-1141~~ 79-1142 to 79-1144 and 79-1147. Such
22 funds shall be channeled through the State Department of Education.
23 The department is authorized to expend such funds upon proper
24 vouchers approved by the department and warrants issued by the
25 Director of Administrative Services for financial reimbursement to
26 school districts, educational service units, special education
27 cooperatives created by school districts, agencies, and parents or
28 guardians, including (1) reimbursement ~~(a) for ninety percent of~~

1 ~~the amount expended prior to fiscal year 1995-96 pursuant to~~
2 ~~section 79-1129 for actual transportation expenses per year for~~
3 ~~children with disabilities and (b) for the amount expended for~~
4 ~~fiscal year 1995-96 and each fiscal year thereafter pursuant to~~
5 section 79-1129 for actual transportation expenses per year for
6 children with disabilities a pro rata amount which shall be
7 determined by the State Board of Education from appropriations for
8 special education approved by the Legislature based on all actual
9 allowable transportation costs, (2) reimbursement for instructional
10 aids and consultative, supervisory, research, and testing services
11 to school districts, and (3) reimbursement for salaries, wages,
12 maintenance, supplies, travel, and other expenses essential to
13 carrying out the provisions for special education programs. Minor
14 building modifications shall not be eligible for state
15 reimbursement as an allowable expense. ~~beginning with the~~
16 ~~reimbursement provided in fiscal year 1993-94 except for those~~
17 ~~projects or portions thereof completed prior to August 31, 1992,~~
18 ~~and paid for by the school district on or before December 31, 1992.~~
19 ~~Documentation of projects or portions thereof completed during the~~
20 ~~1991-92 school year shall be provided to the State Department of~~
21 ~~Education.~~ Applications for state reimbursement for actual
22 transportation expenses shall be submitted to the department
23 annually on a date and on forms prescribed by the department.
24 Amendments to applications for actual transportation expenses shall
25 be submitted on dates prescribed by the department during the
26 school year in which the original application was made.

27 Sec. 43. Section 79-1145, Reissue Revised Statutes of
28 Nebraska, is amended to read:

1 79-1145. For fiscal year ~~1996-97~~, the aggregate amount
2 of General Funds appropriated for special education programs and
3 support services pursuant to sections ~~79-1132, 79-1142, and 79-1144~~
4 shall not exceed the aggregate amount of General Funds appropriated
5 pursuant to such sections in fiscal year 1995-96 multiplied by one
6 plus a rate of two and one-half percent, excluding any deficiency
7 appropriations in fiscal year 1995-96. Beginning in fiscal year
8 ~~1997-98~~ and For each fiscal year, thereafter, the aggregate amount
9 of General Funds appropriated for special education programs and
10 support services pursuant to sections 79-1129, 79-1132, and 79-1144
11 shall not exceed the aggregate amount of General Funds appropriated
12 pursuant to such sections for the previous fiscal year, multiplied
13 by one plus a rate of three percent.

14 Sec. 44. Section 79-1148, Revised Statutes Supplement,
15 1998, is amended to read:

16 79-1148. The State Department of Education is authorized
17 to set up one or more approved schools or centers for children with
18 disabilities. These schools or centers shall offer residential
19 facilities for such children, which facilities shall be under the
20 control and supervision of the State Department of Education.

21 Sec. 45. Section 79-1155, Revised Statutes Supplement,
22 1998, is amended to read:

23 79-1155. All school boards ~~and boards of education~~ shall
24 report annually on a date prescribed by the State Department of
25 Education to the department on forms provided by the department (1)
26 plans for special education ~~program expansions, revisions, or~~
27 ~~reductions~~ programs and (2) budget information for special
28 education programs and support services. Cooperatives of school

1 districts or educational service units applying for grants or
2 reimbursement for programs pursuant to section 79-1132, 79-1142, or
3 79-1144 shall also report unified plans and budget information
4 pursuant to this section. The plans and budget forms shall conform
5 to ~~guidelines reporting requirements~~ provided in section 79-1156.
6 The State Department of Education shall review and take action to
7 approve, approve with modifications, or disapprove the plans ~~for~~
8 ~~expansions in and budgets for~~ special education programs of the
9 school district, cooperative of school districts, or educational
10 service unit. Supplementary amendments to any program plans and
11 budgets previously approved by the State Board of Education may be
12 submitted on dates specified by the department during the same
13 school year and shall be subject to the same review and approval as
14 the initial plans and budgets. The State Board of Education shall
15 approve, approve with modifications, or disapprove all
16 supplementary amendments to program plans and budget requests. All
17 final financial reports on special education and support services
18 costs, ~~the actual number of children served, and the disabilities~~
19 ~~of such children who are verified as having a disability~~ shall be
20 reported to the State Department of Education ~~department~~ by October
21 31 of each year for the preceding school year on forms prescribed
22 by the State Department of Education ~~department~~. Any program that
23 provides residential care shall show the costs of such care
24 separately from the costs of the education program.

25 ~~If a service agency chooses to exceed the budget approved~~
26 ~~by the State Department of Education, costs in excess of the~~
27 ~~approved budget shall not be eligible for reimbursement by the~~
28 ~~State Department of Education.~~

1 Sec. 46. Section 79-1156, Revised Statutes Supplement,
2 1998, is amended to read:

3 79-1156. The State Department of Education shall
4 coordinate information reporting requirements for special education
5 and support services programs with other educational data reporting
6 requirements of the department to the extent possible. The plans
7 ~~for program expansions, revisions, and reductions~~ and budgets for
8 programs shall contain the information required by the department.
9 ~~The information on special education and support services programs~~
10 ~~shall include at least the following:~~

11 ~~(1) A description of the types of services to be offered~~
12 ~~and the number of children with disabilities receiving the~~
13 ~~services;~~

14 ~~(2) The service agencies and the respective services~~
15 ~~offered;~~

16 ~~(3) A presentation of all expected expenditures by source~~
17 ~~of funds;~~

18 ~~(4) A detailed description of the methodology to be used~~
19 ~~by the agency for evaluating the results of the programs and~~
20 ~~service being provided for each service group. This methodology~~
21 ~~shall permit program evaluation, including the relative cost and~~
22 ~~effectiveness of alternative forms and patterns of services;~~

23 ~~(5) A description of the procedures used to insure that~~
24 ~~children with disabilities are placed in appropriate educational~~
25 ~~programs. Such procedures shall be reviewed for approval by the~~
26 ~~State Department of Education; and~~

27 ~~(6) A sample of the written materials to be used to~~
28 ~~provide parents with specific information about complaint and~~

1 ~~appeal rights and procedures.~~

2 Sec. 47. Section 79-1157, Revised Statutes Supplement,
3 1998, is amended to read:

4 79-1157. All special education programs shall be
5 reviewed ~~at least once every three years~~ by the State Department of
6 Education.

7 To enable the State Department of Education to determine
8 the effectiveness of the programs and services being provided, the
9 department shall conduct a program of continuing evaluations of the
10 different types of programs and services being provided for each of
11 the service groups. In conducting these evaluations, the
12 department shall take into account such factors as numbers and
13 types of children with disabilities, class sizes, qualifications of
14 staff, and other factors which the department deems appropriate.
15 The department shall conduct evaluations of all programs and
16 services and shall conduct these evaluations in such a manner as to
17 enable the department to compare the relative effectiveness of the
18 same or similar programs or services provided in different
19 locations.

20 Evaluation studies shall be designed to provide the
21 Legislature, the State Department of Education, the school
22 districts, and other service agencies with the following
23 information:

24 (1) A detailed description of groups served;

25 (2) A detailed description of the kind of programs or
26 services provided and their cost per unit of service as well as the
27 cost of each service; and

28 (3) A detailed description of the effectiveness of the

1 programs or services.

2 Sec. 48. Section 79-1162, Revised Statutes Supplement,
3 1998, is amended to read:

4 79-1162. A parent, guardian, competent student of the
5 age of majority, or school district may initiate a hearing on
6 matters related to the initiation, change, or termination or the
7 refusal to initiate, change, or terminate the identification,
8 evaluation, or educational placement of a child with a disability
9 or the provision of a free appropriate public education or records
10 relating thereto. A copy of the procedures specified in rules and
11 regulations of the State Department of Education for complaints and
12 hearings under this section shall be provided by school districts
13 to all parents and guardians of children with disabilities who are
14 receiving services on September 6, 1985, and, thereafter, to all
15 parents and guardians of children with disabilities upon initial
16 consideration of the provision of services for their children with
17 disabilities. Such hearing shall be initiated by filing a petition
18 with the State Department of Education. ~~A parent, guardian, or~~
19 ~~competent student of the age of majority shall not be entitled to~~
20 ~~reimbursement for any expenses incurred more than sixty days prior~~
21 ~~to the filing of the petition.~~

22 Sec. 49. Section 79-1167, Revised Statutes Supplement,
23 1998, is amended to read:

24 79-1167. (1) Any party to a hearing conducted under
25 sections 79-1162 to 79-1166 aggrieved by the findings, conclusions,
26 or final decision and order of the hearing officer is entitled to
27 judicial review under this section. Any party of record also may
28 seek enforcement of the final decision and order of the hearing

1 officer pursuant to this section.

2 (2) Proceedings for judicial review shall be instituted
3 by filing a petition in the district court of the county in which
4 the main administrative offices of the school district are located
5 within thirty days after service of the final decision and order on
6 the party seeking such review. All parties of record shall be made
7 parties to the proceedings. The court, in its discretion, may
8 permit other interested parties to intervene.

9 (3) The filing of a petition for judicial review shall
10 operate to stay the enforcement of the final decision and order of
11 the hearing officer. While judicial proceedings are pending and
12 unless the school district and the parent or guardian otherwise
13 agree, the child with a disability shall remain in his or her
14 current educational placement or if applying for initial admission
15 to a public school such child shall, with the consent of the parent
16 or guardian, be placed in the public school program until all such
17 proceedings have been completed. ~~If the health or safety of the~~
18 ~~child or of other persons would be endangered by delaying a change~~
19 ~~in assignment, the school district may make such change without~~
20 ~~prejudice to the rights of any party.~~

21 (4) Within fifteen days after receiving notification that
22 a petition for judicial review has been filed or if good cause is
23 shown within such further time as the court may allow, the State
24 Department of Education shall prepare and transmit to the court a
25 certified transcript of the proceedings before the hearing officer.

26 (5) Judicial review shall be conducted by the court
27 without a jury. The court shall receive the records of the
28 administrative proceedings, hear additional evidence at the request

1 of a party, base its decision on the preponderance of the evidence,
2 and grant such relief as the court determines is appropriate.

3 (6) An aggrieved party may secure a review of any final
4 judgment of the district court under this section by appeal to the
5 Court of Appeals. Such appeal shall be taken in the manner
6 provided by law for appeals in civil cases and shall be heard de
7 novo on the record.

8 (7) When no petition for judicial review or other civil
9 action is filed within thirty days after service of the final
10 decision and order on all of the parties, the hearing officer's
11 final decision and order shall become effective. Proceedings for
12 enforcement of a hearing officer's final decision and order shall
13 be instituted by filing a petition for appropriate relief in the
14 district court of the county in which the main administrative
15 offices of the school district are located within one year after
16 the date of the hearing officer's final decision and order.

17 Sec. 50. Section 79-1185, Revised Statutes Supplement,
18 1998, is amended to read:

19 79-1185. For purposes of section ~~79-1186~~ the Special
20 Education Act, support services means preventive services for those
21 students not identified or verified as children with disabilities
22 pursuant to sections 79-1118.01 and 79-1137 to 79-1139 but
23 demonstrating a need for specially designed assistance in order to
24 benefit from the school district's general education curriculum and
25 to avoid the need for potentially expensive special education
26 placement and services.

27 Sec. 51. Section 79-1188, Reissue Revised Statutes of
28 Nebraska, is amended to read:

1 79-1188. The State Board of Education, with the
2 assistance of the State Department of Education, shall provide a
3 process for the waiver of rules and regulations adopted and
4 promulgated under Chapter 79 as such rules and regulations relate
5 to special education programs and support services related to
6 special education. Such waiver shall not apply to any requirements
7 subject to federal laws or federal rules and regulations. Any
8 entity subject to state rules and regulations for special education
9 may apply for a waiver of such rules and regulations. ~~each year~~
10 ~~until August 31, 1998.~~ To the extent practicable, the State Board
11 of Education shall grant or deny a waiver request at the next
12 regularly scheduled meeting of the board following receipt of the
13 written waiver request. The waiver process shall be studied for
14 effectiveness by the State Board of Education. ~~7 and the board~~
15 ~~shall provide a report to the Education Committee of the~~
16 ~~Legislature in January of 1998.~~

17 The board may grant a waiver to the rules and regulations
18 if the process set out by the department is followed.

19 Sec. 52. Section 79-11,109, Revised Statutes Supplement,
20 1998, is amended to read:

21 79-11,109. The State Department of Education shall have
22 oversight and general control of ~~all programs of education and~~
23 ~~welfare for blind and visually impaired persons as defined and~~
24 ~~identified pursuant to the Special Education Act of suitable age~~
25 ~~and capacity from birth until completion of a suitable program of~~
26 ~~education, to include, but not be limited to, the state school for~~
27 ~~the blind and visually impaired known as the Nebraska Center for~~
28 the Education of Children who are Blind or Visually Impaired,

1 formerly the Nebraska School for the Visually Handicapped. The
 2 department may contract with a school district, an educational
 3 service unit, or a public institution of city, county, or state
 4 government to operate the center. The department may use, lease,
 5 or otherwise contract for the use of property and facilities
 6 formerly controlled by the Nebraska School for the Visually
 7 Handicapped for services of the center.

8 Sec. 53. Section 79-11,110, Revised Statutes Supplement,
 9 1998, is amended to read:

10 79-11,110. The purpose of the Nebraska ~~School for the~~
 11 ~~Visually Handicapped~~ Center for the Education of Children who are
 12 Blind or Visually Impaired is to provide ~~general and~~ special
 13 education services for persons not to exceed twenty-one years of
 14 age ~~for whose benefit such school was created, until completion of~~
 15 ~~a general or special program who are blind or visually impaired to~~
 16 such an extent that they cannot receive services in the public
 17 schools of this state. The ~~school~~ center shall be the state
 18 resource center for all ~~educational~~ special education programs for
 19 children who are blind ~~and or~~ visually impaired in Nebraska and
 20 shall provide services such as ~~inservice training of teachers,~~
 21 ~~itinerant teaching, counseling services, and the loan of equipment,~~
 22 ~~books, and learning media~~ instructional materials and technology
 23 support, assessment and evaluation services, teacher training and
 24 professional development, summer and weekend programs, residential
 25 services, center-based programs, public school combination
 26 programs, local public school support, and consultation services to
 27 school districts and educational service units.

28 Sec. 54. Section 81-1108.22, Revised Statutes

1 Supplement, 1998, is amended to read:

2 81-1108.22. (1) The division shall have the
3 responsibility of providing office space in leased and state-owned
4 buildings in the proximity of the State Capitol and in other
5 locations.

6 (2) When any board, agency, commission, or department of
7 the state government not otherwise specifically authorized by law
8 desires to use funds available for the purpose of renting office
9 space outside of the State Capitol, it shall submit a request to
10 the Director of Administrative Services accompanied by a
11 certificate from the Committee on Building Maintenance that there
12 is no state-owned property which is adequate or which through
13 cost-effective renovation, as determined by the division, could be
14 made adequate to meet the needs of the board, agency, commission,
15 or department. If the director approves the lease, the terms and
16 location shall be approved by the director and the administrator in
17 writing and the leases shall be entered into and administered by
18 the administrator on behalf of the board, agency, commission, or
19 department. A copy of all such lease contracts shall be kept on
20 file by the state building division and shall be open to inspection
21 by the Legislature and the public during normal business hours.

22 (3) The administrator shall develop a system of charges
23 to cover basic rental, maintenance, renovations, and operation of
24 such leased and owned properties. The charges to state agencies,
25 boards, commissions, or departments of state government shall be
26 paid from funds available for the purpose of renting space on a
27 regular basis and placed, as applicable, in the State Building
28 Revolving Fund, which fund is hereby created, and the State

1 Building Renewal Assessment Fund. The administrator shall make
2 payments for basic rentals, renovations, and maintenance and
3 operational costs of all leased and owned buildings from the State
4 Building Revolving Fund.

5 (4) The charges for such leased and owned properties
6 shall only be adjusted by the administrator on July 1. Prior to
7 any adjustment in the system of charges, the Department of
8 Administrative Services, on or before December 1 of the year
9 preceding the effective date of such adjustment, shall provide
10 written notification to the Committee on Building Maintenance, the
11 Clerk of the Legislature, and the Legislative Fiscal Analyst of the
12 proposed adjustment to the system of charges.

13 (5) Commencing on April 18, 1992, all leases of real
14 property entered into by any state agency, board, commission, or
15 department shall be subject to this section. Leases held by a
16 state agency, board, commission, or department on such date shall
17 be valid until the lease contract is terminated or is subject to
18 renewal. The division shall monitor all such leases and determine
19 when the lease is subject to renewal. Once the determination is
20 made, the division shall cancel the lease as of the renewal date
21 and shall treat the need of the agency, board, commission, or
22 department as an original request for space and subject to this
23 section. This subsection shall not apply to (a) state-owned
24 facilities to be rented to state agencies or other parties by the
25 University of Nebraska, the Nebraska state colleges, the Department
26 of Aeronautics, the Department of Roads, and the Board of
27 Educational Lands and Funds, (b) facilities to be leased for use by
28 the University of Nebraska, the Nebraska state colleges, and the

1 Board of Educational Lands and Funds, (c) facilities to be leased
 2 for nonoffice use by the Department of Roads, or (d) facilities
 3 controlled by the ~~Nebraska School for the Deaf or State Department~~
 4 of Education, which were formerly controlled by the Nebraska School
 5 for the Visually Handicapped, to be rented to state agencies or
 6 other parties by the ~~school~~ department.

7 Sec. 55. Sections 17, 55, 56, and 59 of this act become
 8 operative on their effective date with the emergency clause. The
 9 other sections of this act become operative three calendar months
 10 after adjournment of this legislative session.

11 Sec. 56. Original section 79-758, Revised Statutes
 12 Supplement, 1998, is repealed.

13 Sec. 57. Original sections 43-2505, 48-304, 79-318,
 14 79-492, 79-556, 79-557, 79-558, 79-602, 79-803, 79-1063, 79-1145,
 15 and 79-1188, Reissue Revised Statutes of Nebraska, and sections
 16 13-509, 72-801, 79-101, 79-472, 79-479, 79-4,108, 79-528, 79-540,
 17 79-1003, 79-1007.02, 79-1009, 79-1016, 79-1022, 79-1024, 79-1026,
 18 79-1027, 79-1027.01, 79-1029, 79-1072.01, 79-1083.02, 79-1083.03,
 19 79-1090, 79-10,110, 79-10,124, 79-1118.01, 79-1128, 79-1135,
 20 79-1138, 79-1140, 79-1142, 79-1144, 79-1148, 79-1155, 79-1156,
 21 79-1157, 79-1162, 79-1167, 79-1185, 79-11,109, 79-11,110, and
 22 81-1108.22, Revised Statutes Supplement, 1998, are repealed.

23 Sec. 58. The following sections are outright repealed:
 24 Sections 79-1141, 79-1186, 79-11,112, 79-11,116, 79-11,117,
 25 79-11,118, 79-11,120, and 90-118, Reissue Revised Statutes of
 26 Nebraska, and sections 79-1134, 79-1198, 79-11,111, 79-11,113,
 27 79-11,114, 79-11,115, and 79-11,119, Revised Statutes Supplement,
 28 1998.

1 Sec. 59. Since an emergency exists, this act takes
2 effect when passed and approved according to law.