

**NCSA Final Legislative Report**  
**2006 Legislative Session**

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**I. Bills Passed into Law**

A. Overview

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B. Analysis

<b>LB 239</b>	<i>Subject</i> In-state tuition	<i>Sponsored by</i> Schimek	<i>Prioritized by</i> Schimek	<i>Effective Date</i> July 14, 2006
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LB 239 would allow students to claim resident status if they have a petition pending with the U.S. Immigration and Naturalization Service to attain lawful status. LB 239 permits certain students who attended Nebraska high schools to establish residency and grants them the opportunity to pay in-state tuition at the post-secondary educational institutions of Nebraska.

LB 239 creates an exception to the residency rule if a student resided with his/her parent, guardian, or conservator while attending a public or private high school in this state and:

- (a) Graduated from a public or private high school in this state or received the equivalent of a high school diploma in this state;
- (b) Resided in this state for at least three years before the date the student graduated from the high school or received the equivalent of a high school diploma;
- (c) Registered as an entering student in a state postsecondary educational institution not earlier than the 2006 fall semester; and
- (d) Provided to the state postsecondary educational institution an affidavit stating that he or she will file an application to become a permanent resident at the earliest opportunity he or she is eligible to do so.

If the parent, guardian, or conservator with whom the student resided ceases to reside in the state, the student would not lose his/her resident status if the student has the bona fide intention to make this state his/her permanent residence, supported by documentary proof.

<b>LB 454</b>	<i>Subject:</i> Conceal/carry	<i>Sponsored by:</i> Combs	<i>Prioritized by:</i> Combs	<i>Effective Date:</i> July 14, 2006
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LB 454 creates the Concealed Handgun Permit Act. The act proposes to authorize eligible individuals to obtain a permit to carry a concealed handgun in Nebraska.

The legislation specifically provides that a “permitholder” may not carry a concealed handgun in various public places, including meetings of governing bodies of public school districts or other political subdivisions or on school grounds, school-owned vehicles, or school-sponsored activities or athletic events.

<b>LB 542</b>	<i>Subject:</i> In-depth tax study	<i>Sponsored by:</i> Burling	<i>Prioritized by:</i> Burling	<i>Effective Date:</i> April 12, 2006
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In July 1988, the Maxwell School of Citizenship and Public Affairs at Syracuse University issued its final report on a comprehensive tax study requested by the Nebraska Legislature. The “Syracuse Report,” as it came to be called, stated what most had known and perhaps what some did not want to hear. In essence, the report stated that Nebraska was overly dependent upon property taxes to fund schools. To resolve this situation, the report suggested Nebraska increase state taxes to assist schools, overhaul its state aid formula, and implement a major school consolidation program. In fact, the report suggested the consolidation piece come first, followed by tax increases and formula overhaul. “We recommend that a school consolidation plan be implemented before reforming state aid to education,” the study concluded.

The Legislature commissioned Syracuse University to conduct the comprehensive tax study in the mid-1980s. The Legislature, however, did not implement many of the recommendations from the study.

LB 542, passed in 2006, is designed to commission a new comprehensive tax policy study. This time the study will be done, essentially, in-house. But the legislation specifically requires the study group to examine the findings of the 1988 Syracuse Report to glean any useful recommendations.

LB 542 creates the Tax Policy Reform Commission comprised of sixteen members appointed as follows:

- (1) Eight members of the Legislature appointed by the Executive Board of the Legislative Council;
- (2) One economist appointed by the Governor;
- (3) One representative of production agriculture appointed by the Governor;
- (4) One representative of industry and manufacturing appointed by the Governor;
- (5) One representative of the labor sector appointed by the Executive Board of the Legislature;
- (6) One representative of the telecommunications sector appointed by the Governor;
- (7) One representative of the low-income sector appointed by the Executive Board of the Legislative Legislature;
- (8) The Director of Economic Development; and
- (9) The Tax Commissioner.

The commission is directed to evaluate current Nebraska tax policies and how they relate to generally recognized tax policies of adequacy, equity, economic competitiveness, simplicity, and accountability and recommend improvements. The commission will also:

- (1) Examine household tax burdens and business tax burdens as compared to the United States as a whole and states having demographics similar to those of Nebraska and recommend improvements;
- (2) Examine tax rates as compared to the United States as a whole and states having demographics similar to those of Nebraska and recommend improvements;
- (3) Evaluate current business tax incentive programs and recommend improvements;
- (4) Examine demographic changes taking place in the state, anticipate the effects such changes have on the revenue adequacy and stability for the state in the future, and recommend improvements; and
- (5) Examine previous studies, including the Comprehensive Tax Study done by Syracuse University and ascertain whether any recommendations from such studies can be utilized in the commission's research.

The commission must issue a preliminary report to the Executive Board of the Legislative Council, the Revenue Committee of the Legislature, and the Governor by December 15, 2006, containing the commission's preliminary findings and recommendations, and issue a final report to the executive board, the committee, and the Governor by November 15, 2007, containing any recommendations for legislation to reform tax policy and, if appropriate, draft proposed language for legislation.

The commission may, but is not required to hold hearings throughout the state for purposes of receiving input from the public. LB 542A appropriates \$100,000 to commission to carryout its duties.

<b>LB 690</b>	<i>Subject</i> Career education	<i>Sponsored by</i> Stuhr	<i>Prioritized by</i> Stuhr	<i>Effective Date</i> July 14, 2006
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LB 690 creates the Career Education Partnership Act and represents a long-standing objective for Senator Elaine Stuhr of Bradshaw. The purpose of the Career Education Partnership Act is to support schools in Nebraska in continuing and enhancing career education programs through state grants. The act intends to:

- (1) Identify and explore options for Nebraska Career Education implementation in different sizes of schools;
- (2) Collaborate with ongoing school improvement efforts;
- (3) Create models of collaboration between career and academic education;
- (4) Encourage relationships and coordination in support of entrepreneurship education;
- (5) Develop partnerships between public secondary and postsecondary institutions; and

(6) Develop partnerships with business and industry based on Nebraska workforce development needs.

Under the Career Education Partnership Act, NDE is required to establish and administer a competitive grant process to provide grants to a collaborative project of two or more public schools with an ESU, or a public postsecondary institution, and an advisory group related to the purpose of the act. The advisory group would be comprised of a local or regional economic development board, a local or regional chamber of commerce board, or a group specifically designed to support career education and entrepreneurial activities or programs.

Under LB 690, career education includes curriculum, work ethics, general employability skills, technical skills, occupational specific skills, and applied learning that integrates academic knowledge and vocational skills taught through the following course areas: (i) Agriculture education; (ii) business education; (iii) career education; (iv) family and consumer sciences; (v) health occupations; (vi) industrial technology education; (vii) marketing education; and (viii) trade and industrial education.

Grant money would be used to provide for equitable opportunities for students in a minimum of two of the following areas:

- (a) Assist schools in developing academic competencies, technical competencies, and basic work-skill foundations for students;
- (b) Assist schools in developing curriculum;
- (c) Assist schools in employing certified teachers related to the purposes of the act; and
- (d) Assist schools in providing professional development for certified teachers who provide course instruction.

Grants may not exceed \$75,000 per collaborative project. Grant recipients would have two years to expend the grant funds. No applicant may receive funding for more than one project at a time. NDE would act as the fiduciary agent for the grants. The Career Education Partnership Act automatically terminates on January 1, 2011.

LB 690A appropriates \$450,000 for FY2006-07 and \$450,000 for FY2007-08 for purposes of carrying out the objectives of the Career Education Partnership Act.

<b>LB 795</b>	<i>Subject</i> Distance education	<i>Sponsored by</i> Cunningham	<i>Prioritized by</i> None	<i>Effective Date</i> April 12, 2006
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LB 795 would allow school districts and NDE to agree to a shorter repayment period when school districts have to pay back reorganization incentives due to withdrawal from or the dissolution of a unified school system. Current law requires such repayments to be made

through reductions in state aid over five years. The total to be repaid would include interest calculated from the date of the original incentive payment to the date of the estimated repayment.

The legislation requires NDE, upon entering into any agreement with a school district for the repayment of incentives, to take into consideration the ability of the school district to repay the incentives in the fewest number of years and meet the educational needs of the students that are enrolled in the school district while repaying the incentives.

<b>LB 808</b>	<i>Subject:</i> Revenue issues	<i>Sponsored by:</i> Revenue Com.	<i>Prioritized by:</i> Revenue Com.	<i>Effective Date:</i> Various
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LB 808 represented an omnibus revenue law cleanup bill and made changes to various provisions of existing law, including sections related to property tax and assessment.

LB 808 amended one section in the Tax Equity and Educational Opportunities Support Act (TEEOSA) relating to clerical errors. The existing law, provides that, on or before November 10, any local system or county official may file with the Property Tax Administrator a written request for a nonappealable correction of the adjusted valuation due to clerical error for agricultural and horticultural land, assessed value changes by reason of land qualified, or disqualified for special use valuation (greenbelt). The existing section of TEEOSA (79-1016) defined clerical error as transposition of numbers, allocation of value to the wrong school district, mathematical error, and omitted value.

LB 808 strikes the independent definition of clerical error that would justify a change and adopt the general definition in section 77-128 instead. This section of law currently defines “clerical error” as transposition of numbers, mathematical error, computer malfunction causing programming and printing errors, data entry error, items of real property other than land identified on the wrong parcel, incorrect ownership, or certification of an incorrect valuation to political subdivisions.

<b>LB 821</b>	<i>Subject:</i> Part-time students	<i>Sponsored by:</i> Erdman	<i>Prioritized by:</i> Erdman	<i>Effective Date:</i> July 14, 2006
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LB 821 requires school districts to allow the part-time enrollment of students who are residents of the district who are enrolled in another private, denominational, or parochial school or school that elects not to meet accreditation or approval requirements. Part-time enrollment does not entitle a student to transportation or transportation reimbursements.

Public school districts that enroll additional students would be eligible to count the students for purposes of calculating state aid, if the students are enrolled in courses more than half-time. Districts eligible for equalization aid will receive increased state aid pursuant to including the students in the student count.

<b>LB 860</b>	<i>Subject:</i> Treasurer bonding	<i>Sponsored by:</i> Raikes	<i>Prioritized by:</i> None	<i>Effective Date:</i> July 14, 2006
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In 2005, the Legislature passed LB 380 to allow insurance coverage as an alternative to bonding for school district treasurers in all classes of school districts. The old law required school district treasurers to execute and file a bond of not less than \$500 or more than two times the amount of money that will come into his or her hands as treasurer at any one time.

LB 860 accomplishes the same objective of LB 380 (2005) for educational service units. LB 860 provides that an ESU treasurer must give bond or evidence of equivalent insurance coverage, payable to the board, in such sum as the ESU board determines.

<b>LB 898</b>	<i>Subject:</i> Open Meetings Law	<i>Sponsored by:</i> Preister	<i>Prioritized by:</i> Preister	<i>Effective Date:</i> July 14, 2006
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As passed and signed into law, LB 898 would change the Open Meetings Law as follows:

- The specific subject matter and reason for a closed session must be identified in the motion to close. If the motion to close passes, the presiding officer must restate on the record the subject matter of the closed session.
- Requires agenda items to be sufficiently descriptive to give the public reasonable notice of the matters to be considered at the meeting.
- Public bodies must post at least one current copy of the Open Meetings Act accessible to the public and inform the public of its location.
- Provides that when a citizen files a lawsuit alleging a violation of the Open Meetings Act, the public body cannot use as a defense that the citizen attended the meeting and failed to object at the time.

<b>LB 968</b>	<i>Subject</i> Tax relief package	<i>Sponsored by</i> Redfield	<i>Prioritized by</i> Redfield	<i>Effective Date</i> various
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As passed and signed into law, LB 968 impacts three different areas of taxation: property tax, sales tax, and income tax.

*Property tax*

LB 968 reduces the level of assessment of agricultural land from 80% to 75%. Because of a loss of an estimated \$1.6 billion in taxable valuations, it is estimated the amount of state aid for equalized school systems will increase by up to \$12.5 million in FY2008 and \$13 million in FY2009.

LB 968 changes the maximum value of a homestead that can qualify for the homestead program. It provides a larger property tax exemption for those who qualify. These provisions will be operative for applications filed in calendar year 2007.

- The maximum exemptions are increased from 80% and 100% to 100% and 120% of the assessed value for the over 65 and disabled portions of the program.
- The maximum valuations are increased from 150% and 200% to 175% and 225% for the over 65 and disabled portions of the program.

The legislation also would amend section 77-3442, relevant to maximum levy limits, to eliminate the scheduled reduction in the levy limit for schools from \$1.05 to \$1.00 that was to take place in fiscal year 2008-09. It is estimated that the elimination of this decline in the levy limit will save the state an estimated \$59.7 million in state aid to schools.

**FISCAL IMPACT STATE’S GENERAL FUND:  
Property Tax Changes under LB 968 (2006)**

	FY2008	FY2009
Change Ag land valuations	12,500,000	13,000,000
Changes to Homestead Program	6,894,000	7,068,000
<i>Subtotal</i>	19,394,000	20,068,000
Eliminate levy limit reduction	0	(59,664,404)
<i>Total</i>	19,394,000	(39,596,404)

*Sales Tax*

Effective July 1, 2006, sales tax on contractor labor is changed to exempt single family dwellings and duplexes. Moreover, a refund is allowed for sales tax paid on contractor labor for other owner-occupied units (primarily condominiums). Finally, the definition of “major renovation” is changed for the purposes of commercial property.

*Income Tax*

LB 968 provides for a refundable earned income tax credit (EITC) equal to 8% of the federal EITC allowed under §32 of the IRS code. The credit is for tax years beginning January 1, 2006. Based on the number of Nebraska filers taking the federal credit in 2004, the Department of Revenue estimates between 111,000 and 113,000 returns claiming this credit.

LB 968 also changes the income tax rate schedule for tax years beginning January 1, 2006. Furthermore, the phase-outs of the personal credit, itemized deductions, and standard deductions are eliminated.

Old Brackets	New Brackets
Single .....\$2,400, \$17,000, \$26,500	Single .....\$2,400, \$17,500, \$27,000
Married filing jointly .....\$4,000, \$30,000, \$46,750	Married filing jointly .....\$4,000, \$31,000, \$50,000
Head-of-household .....\$3,800, \$24,000, \$35,000	Head-of-household .....\$3,800, \$25,000, \$35,000
Married filing separate .....\$2,000, \$15,000, \$23,375	Married filing separate .....\$2,000, \$15,550, \$25,000



<b>LB 994</b>	<i>Subject</i> Omnibus health bill	<i>Sponsored by</i> Health Com.	<i>Prioritized by</i> Health Com.	<i>Effective Date</i> April 13, 2006
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*Physical Therapy*

LB 994 gained some late session notoriety when Senator Jim Jensen, chair of the Health Committee, successfully attached a compromise amendment to the bill relating to the practice of physical therapy. The amendment incorporated provisions from LB 445, which was introduced in the 2005 Session.

Some education groups and schools construed LB 445 as placing restrictions on schools and ESUs concerning supervision of paraeducators who perform certain physical therapy-related services to students. Through the work of attorney Jim Gessford and also Jeff Santema, legal counsel for the Legislature’s Health Committee, a compromise was worked out in the 2006 Session.

The compromise proposal states that, “A person employed by a school district, educational service unit or other public educational institution or entity serving pre-kindergarten through twelfth grade students providing personal assistance services,” would not be construed as engaging in the unauthorized practice of physical therapy.

The compromise proposal would define “personal assistance services” to include: Mobility and transfer activities such as assisting with ambulation with and without aids; positioning in adaptive equipment; application of braces; encouraging active range-of-motion exercises; assisting with passive range-of-motion exercise; assisting with transfers with or without mechanical devices; and such other personal assistance services based on individual needs as are suitable to providing an appropriate educational program.

*Educational Packet*

In 2002 the Legislature passed a measure (LB 326) to require NDE, in cooperation with the Department of Health and Human Services, to develop a packet entitled “Learning Begins at Birth” to be given to the parents of each child born in Nebraska.

The packet must contain information about child development, child care, how children learn, children’s health, services available to children and parents, and other information. LB 994 expands the list of information to include information on the prevention of sudden infant death syndrome and shaken baby syndrome.

<b>LB 1019</b>	<i>Subject:</i> Retirement issues	<i>Sponsored by:</i> Retirement Com.	<i>Prioritized by:</i> Retirement Com.	<i>Effective Date:</i> Various
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LB 1019 would make several changes relating to the five state public employees’ retirement plans, the OPS Retirement Plan, and the Nebraska Investment Council. The bill would:

- Change the ending date for terms of appointment for Nebraska Investment Council members from September 18 to December 31;
- Require that annual reports from the Class V (OPS) school employee retirement plan be submitted to the Retirement Committee by March 15 each year;
- Clarify the fiduciary duty of members of the Public Employees Retirement Board (PERB); and
- Clarify that the internal auditor and the attorney hired by the PERB are classified positions covered by the state personnel system.

*Amortization Period:* Perhaps one of the more substantive provisions of LB 1019 would lengthen the amortization period for the School Employees, State Patrol and Judges' retirement plans from 25 years to 30 years. The intent is to extend the time period over which liabilities of the plans are to be paid, thereby reducing the amount of liability due each year. By reducing the annual amount of liability due, this change would reduce the additional contribution amount required to be paid by the State when the actuarially required contribution rate exceeds the rate of all contributions required by a particular retirement plan.

<b>LB 1024</b>	<i>Subject</i> Learning community	<i>Sponsored by</i> Raikes	<i>Prioritized by</i> Education Com.	<i>Effective Date</i> various
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*Learning Communities Beginning September 2006*

- Applies to any county with a metropolitan class city and any county sharing a five mile border with the city (optional for other counties and if the combined districts have a minimum of 2,000 students or the districts are sparse or very sparse).
- The Secretary of State would convene and facilitate meetings September 2006 - June 2007.
- Coordinating Council: School board member and superintendent (non-voting) from each district.
- Council actions would require 50% of voting members representing 1/3 of students.
- The learning community coordinating council would have the authority to:
  - Levy and distribute a general fund common levy;
  - Levy and distribute a building fund common levy;
  - Levy for the budget of the learning community and for approved projects;
  - Collect and report data and information as required;
  - Coordinate development of focus schools and programs;
  - Approve focus schools and programs;
  - Annually conduct a school fair;
  - Develop reorganization plans; and
  - Adopt and implement an integration and diversity plan.
- Council funded through state appropriations until tax proceeds become available.

### *Levy Caps in Learning Communities Beginning in 2008-09*

- Member school districts would continue to develop their own budgets.
- Common levy up to \$1.02 or 110% of formula needs minus state aid and receipts.
- Districts could also levy up to \$1.02 minus the common levy for general or building funds.
- Common levy up to \$0.02 for special building funds distributed based on formula students.
- Learning communities levy up to \$0.01 for the learning community budget and approved projects.

### *School District Boundaries in Learning Communities*

- District boundaries would remain as they are for districts that are required to be in a learning community until the learning community has been formed.
- District boundaries of in a learning community would only change according to plans initiated by the council (boundary changes that are not the result of a statutory requirement would need approval from affected school boards).
- Council would be required to submit a plan by July 1, 2007 to divide any Class V school districts into new Class V school districts organized around high school attendance areas with 2 or 3 contiguous attendance areas in each new district.
- The state committee would be required to approve a plan on or before December 1, 2007 with an effective date of July 1, 2008.
- Geographic size of districts with more than 25,000 students could not increase.

### *Open Enrollment and transportation in Learning Communities*

- Students would be able to attend any school in the learning community that had capacity.
- Transportation would be provided for students who attend school outside of their attendance area.
- For focus schools and programs, students would be selected proportionally based on the number of free lunch students, reduced-price lunch students, and other students in the learning community.
- Otherwise, preference would be given to free lunch, then reduced-price student for schools at capacity.
- Once a student begins attending a school, the student would be allowed to continue.

### *Focus Schools and Programs in Learning Communities*

Focus schools and programs could be established by districts to be located anywhere in the learning community with the approval of the council to be:

- Centered around meeting specific learning goals in addition to the standard curriculum;
- Open to all students residing in the learning community; and
- Designed to create an economically and culturally diverse learning environment.

### *Integration and Diversity for Learning Communities*

- A task force would meet for one calendar year after establishment of the learning community (the learning community would be divided into 4 quadrants with 2 members from each quadrant, 2 members employed in a planning capacity with cities in the learning community, and 2 members representing minority group organizations).
- Task force would develop an integration plan to be submitted to the council and Education Committee.
- Council would have 6 months to adopt an integration plan and submit it to the Education Committee.
- The plan would be required to have district participation standards defined by the council:
  - If a district fails to meet the standards for one year, they would be instructed as to how to meet the standard;
  - If the district failed the next year, the council would dissolve the district.
- Learning communities would be required to report every 2 years, beginning July 1, 2009, on:
  - The diversity of students in each building;
  - The academic achievement of students in various demographic groups; and
  - The enrollment of students in buildings outside of their attendance areas.
- Recommendations would be required:
  - For improving diversity in buildings that are less diverse than other buildings;
  - For improving the achievement of any underperforming demographic group; and
  - For achieving or maintaining a goal of at least 10% of high school students attending high schools outside of their attendance areas.
- If the report recommends an adjustment of boundaries, the council would be required to submit a plan.

### *High Needs Education Coordinator for the State*

- The Commissioner of Education would appoint a high needs education coordinator.
- The coordinator would evaluate and coordinate existing resources for students in poverty, limited English proficient students, and highly mobile students.
- The coordinator would develop a plan to be presented to the Education Committee by November 1, 2007.

### *School Finance Changes Begin in 2008-09 for the State*

- Needs would be calculated for districts, but resources would be for the whole learning community.
- The cost growth factor would be applied to a larger base and would include an additional 1%.

- An elementary class size allowance would be added for K-5 students in classrooms with 10 to 20 students who qualified for free or reduced-price lunches (the poverty allowance would be reduced by 39% to account for a shift in some costs from the poverty allowance to the class size allowance).
- A focus school and program allowance would be added.
- Poverty and LEP costs would be shifted from student weightings to allowances and districts would have to be accountable for expenditures.
- Formula needs for districts that levy at least 99¢ would not be less than formula needs from prior year.
- A budget exception would be added for increased transportation expenditures for learning communities.
- Two additional budget exceptions would recognize increases in the combination of poverty, limited English proficiency, elementary class size, and focus school and program allowances.

*Severability Clause*

- LB 1024 contains a severability clause.

<b>LB 1107</b>	<i>Subject:</i> Diabetes medication	<i>Sponsored by:</i> Thompson	<i>Prioritized by:</i> Thompson	<i>Effective Date:</i> July 14, 2006
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LB 1107 provides that an approved or accredited public, private, denominational, or parochial school must allow a student with diabetes to self-manage his or her diabetic condition upon written request of the student’s parent or guardian and authorization of the student’s physician, upon receipt of a signed statement and pursuant to a diabetes medical management plan.

Upon receipt of a written request and authorization, the school and the parent or guardian, in consultation with the student’s physician, must develop a diabetes medical management plan for the student for the current school year. The plan must

- Identify the health care services the student may receive at school relating to such condition;
- evaluate the student’s understanding of and ability to self-manage his or her diabetic condition;
- permit regular monitoring of the student’s self-management of his or her diabetic condition by an appropriately credentialed health care professional; and
- be signed by the student’s parent or guardian and the physician responsible for treatment of the student’s diabetic condition.

The school may consult with a registered nurse or other health care professional employed by such school during development of the plan. The plan and the signed statement must be kept on file at the school where the student is enrolled.

Under the diabetes medical management plan, a student with a diabetic condition must be permitted to self-manage his or her diabetic condition in the classroom or any part of the school or on school grounds during any school-related activity or in any private location specified in the plan.

A school may prohibit a student from possessing the necessary medical supplies to self-manage his or her diabetic condition or place other necessary and appropriate restrictions or conditions on the student's self-management of his or her diabetic condition if the school determines that the student has endangered himself, herself, or others through the misuse or threatened misuse of such medical supplies. The school must promptly notify the parent or guardian of any prohibition, restriction, or condition imposed.

If a student for whom a diabetes medical management plan has been developed under this section injures school personnel or another student as the result of the misuse of necessary diabetic medical supplies, the parent or guardian of the student for whom such plan has been developed shall be responsible for any and all costs associated with such injury.

The parent or guardian of a student for whom a diabetes medical management plan has been developed must sign a statement acknowledging that: (a) The school and its employees and agents are not liable for any injury or death arising from a student's self-management of his or her diabetic condition and (b) the parent or guardian will indemnify and hold harmless the school and its employees and agents against a claim arising from a student's self-management of his or her diabetic condition.

<b>LB 1115</b>	<i>Subject:</i> Infectious diseases	<i>Sponsored by:</i> Bourne	<i>Prioritized by:</i> Judiciary Com.	<i>Effective Date:</i> July 14, 2006
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— *Summary prepared by Mr. Greg Perry, Attorney at Law* —

LB 1115 changes provisions relating to infectious diseases. As a matter of background, the NSEA supported LB 1115 to protect teachers who may have contracted an infectious disease on the job. The effort was a response to an incident in February 2005 involving Marilyn Cleveland, a special education teacher Ogallala. Ms. Cleveland was bit, hit and scratched by a student. Her physician recommended that testing be done to see if she contracted an infectious disease from the attack.

The student was a ward of the State. The State (HHS) refused Ms. Cleveland's request that the student submit to a blood test to determine whether he had HIV or other infectious diseases. Ms. Cleveland asked the court to force the student to submit to a blood test, but the court rejected her request. Because Ms. Cleveland does not know whether the student had an infectious disease, she has to have her blood tested every 6 months.

With LB 1115, there is now a statutory procedure to force testing of students who may have infected school district employees. LB 1115 amended an Act, Neb. Rev. Stat. sections 71-507 to 71-513, that deals with exposures to infectious diseases by health care workers, law enforcement

officials, firefighters, and funeral directors. With LB 1115, “school district employees” are now designated as “emergency services providers” and “public safety officials.” This designation allows a staff member who has been subjected to a possible infectious disease exposure to seek a court order to force the possible infector to be tested.

As a result of LB 1115, schools are now “provider agencies.” *See* § 71-507(11) (“Provider agency means any . . . entity which employs or directs emergency services providers or public safety officials”). This means that school districts must:

1. Adopt Infectious Disease Procedures. “All . . . provider agencies . . . shall adopt written procedures regarding infectious diseases or conditions which address preexposure safeguards, notification procedures, and postexposure risk-reduction methods.” § 71-512.
2. Pay for Testing: “The provider agency shall be responsible for the costs of diagnostic testing required under this [law].” § 71-509(8).

#### *Procedures for Significant Exposure Incidents.*

1. Definitions. The statutes define a significant exposure incident and infectious disease as follows:
  - a. “Significant exposure means a situation in which the body fluids, including blood, saliva, urine, respiratory secretions, or feces, of a [student] have entered the body of [a school employee] through a body opening including the mouth or nose, a mucous membrane, or a break in skin from cuts or abrasions, from a contaminated needlestick or scalpel, from intimate respiratory contact, or through any other situation when the [student’s] body fluids may have entered the [school employee’s] body or when an airborne pathogen may have been transmitted from the [student] to the [school employee].” § 71-507(14). The law generally refers to the person who may have communicated the infectious disease as the “patient” or as the “individual who may have transmitted the infectious disease or condition.” To make it easier to read, we have changed those references to “student.” Of course, there may be cases in the school setting where the person who transmits the infectious disease is not a student; it may be a co-worker, a parent, a trespasser, etc.
  - b. “Infectious disease or condition means hepatitis B, hepatitis C, meningococcal meningitis, active pulmonary tuberculosis, human immunodeficiency virus, diphtheria, plague, hemorrhagic fevers, rabies, and such other diseases as the department may by rule and regulation specify.” § 71-507(8).
2. School Employee as “Public Safety Official.” School employees are defined as being “public safety officials.” As a public safety official, the process is for the school district or school employee to request the student be tested, and if student refuses to consent, to go to court to mandate testing.

Mandated Testing (Sue if Necessary): “If a [school employee] believes he or she has had a significant exposure while performing his or her duties, other than those as an emergency

services provider, which, in the opinion of a physician, could involve exposure to an infectious disease or condition, the [school employee] or the [school district] which employs or directs him or her may (a) request the [student] who may have transmitted the infectious disease or condition to consent to having the necessary diagnostic blood tests performed or (b) if the [student] refuses to consent to such tests, petition the district court for an order mandating that the necessary diagnostic blood tests of such [student] be performed.” § 71-510(4).

3. School Employee as “Emergency Services Provider.” School employees are also defined as being emergency services providers. The law provides that emergency services providers may complete a significant exposure report form, as follows:

School Employee Completes “Significant Exposure Report Form”: “Whenever [a school employee] believes he or she has had a significant exposure while acting as [a school employee], he or she may complete a significant exposure report form. A copy of the completed form shall be given by the [school employee] to the [student’s] health care facility . . . , to the [school employee’s] supervisor, and to the [school employee’s] designated physician.” § 71-509(2).

The law then provides 3 separate processes for “emergency services providers” who may have been infected to find out whether the student has an infectious disease:

- a. Mandated Testing (Sue if Necessary): “If [a school employee] has a significant exposure which, in the opinion of the designated physician, could involve the transmission of hepatitis B, hepatitis C, or human immunodeficiency virus, the [student’s] attending physician shall initiate the necessary diagnostic blood tests of the [student]. If the [student] or [student’s] representative refuses to grant consent for such test and a sample of the [student’s] blood is available, the blood shall be tested for hepatitis B, hepatitis C, or human immunodeficiency virus. If the [student] or [student’s] guardian refuses to grant consent and a sample of the [student’s] blood is not available, the [student’s] refusal shall be communicated to the [school employee’s] designated physician who shall inform the [school employee]. The [school employee] may petition the district court for an order mandating that the test be performed.” § 71-510(3).
- b. Receive Report from HHS When Student is Treated at or Transported to a Health Care Facility and Diagnosed With an Infectious Disease: “If a health care facility . . . determines that a [student] treated or transported by an emergency services provider has been diagnosed or detected with an infectious airborne disease, the health care facility . . . shall notify [HHS] as soon as practical but not later than forty-eight hours after the determination has been made. [HHS] shall investigate all notifications from health care facilities and alternate facilities and notify as soon as practical . . . any [school employee] known to [HHS] with a significant exposure . . . Notification of affected individuals shall be made as soon as practical.” § 71-510(3).



c. Receive Report or Mandate Testing Where Student is Treated at or Transported to a Health Care Facility.

i. If Student is Diagnosed With Infectious Disease.

1. Health Care Facility Notifies School Employee's Physician: "Upon receipt of the significant exposure form, if a [student] has been diagnosed during the normal course of treatment as having an infectious disease or condition or information is received from which it may be concluded that a [student] has an infectious disease or condition, the health care facility . . . receiving the form shall notify the [school employee's] designated physician . . . orally . . . within forty-eight hours of confirmed diagnosis. A written report shall be forwarded to the [school employee's] designated physician within seventy-two hours of confirmed diagnosis." § 71-509(3) and (5).
2. School Employee's Physician Tells School Employee: "Upon receipt of notification . . . the [school employee's] designated physician shall notify the [school employee] of the exposure to infectious disease or condition . . ." "The notification to the [school employee] shall include the name of the infectious disease or condition diagnosed but shall not contain the [student's] name or any other identifying information. Any person receiving such notification shall treat the information received as confidential and shall not disclose the information except as provided in sections 71-507 to 71-513." § 71-509(7).

ii. If Student NOT Diagnosed With Infectious Disease. "If the [student] has not been diagnosed as having an infectious disease or condition . . ."

1. School Employee's Physician Asks Health Care Facility to Request Testing: "and upon the request of the [school employee's] designated physician," § 71-509(3).
2. Health Care Facility Asks Student's Physician to Test: "[T]he health care facility . . . shall request the [student's] attending physician or other responsible person to order the necessary diagnostic testing of the [student] to determine the presence of an infectious disease or condition." § 71-509(3).
3. Student's Physician Orders Testing: "Upon such request, the [student]'s attending physician or other responsible person shall order the necessary diagnostic testing . . ." § 71-509(3).
4. Testing Results Reported By Health Care Facility to School Employee's Physician. "Results of tests conducted . . . shall be reported by the health care facility . . . that conducted the test to the [school employee's] designated physician and to the [student's] attending physician, if any." "Notification of the . . . results of any tests, shall be made orally to the [school employee's] designated physician within forty-eight hours of confirmed diagnosis. A written report shall be forwarded to the [school employee's] designated physician within seventy-two hours of confirmed diagnosis." § 71-509(4) and (5).

5. School Employee’s Physician Tells School Employee: “Upon receipt of notification . . . the [school employee’s] designated physician shall notify the [school employee] of the exposure to infectious disease or condition and the results of any tests conducted . . .” “The notification to the [school employee] shall include the name of the infectious disease or condition diagnosed but shall not contain the [student’s] name or any other identifying information. Any person receiving such notification shall treat the information received as confidential and shall not disclose the information except as provided in sections 71-507 to 71-513.” § 71-509(7).
6. Student’s Physician Tells Student. “The [student’s] attending physician shall inform the [student] of test results for all tests conducted under such sections.” § 71-509(9).

Confidentiality of Infectious Disease Reports. “Information concerning any [student], individual, or test results obtained under sections 71-507 to 71-513 shall be maintained as confidential by the health care facility or alternate facility that received or tested the [student] or individual, the [school employee’s] designated physician, the [student]’s attending physician, the [school employee], and the [school district] . . . . The information . . . may be released with the written consent of the [student] or individual or, if the [student] or individual is deceased or incapable of giving informed consent, with the written consent of his or her next of kin, legal guardian, or personal representative of his or her estate.” § 71-511.

<b>LB 1148</b>	<i>Subject:</i> Asthma medication	<i>Sponsored by:</i> Speaker	<i>Prioritized by:</i> Cornett	<i>Effective Date:</i> July 14, 2006
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LB 1148, as amended, requires both public and private schools to allow students with asthma or anaphylaxis to possess and administer the necessary medical supplies to self-manage their asthma or anaphylaxis condition upon receipt of:

- (1) A written request of the student’s parent or guardian;
- (2) authorization from the student’s health care provider; and
- (3) a signed statement from the parent or guardian (a) absolving the school and its employees and agents of liability for any injury or death arising from a student’s self-management of their asthma or anaphylaxis condition and (b) indemnifying and holding harmless the school and its employees and agents against any claim arising from a student’s self-management of their asthma or anaphylaxis condition.

The school and the student’s parent or guardian must develop an asthma or anaphylaxis medical management plan for the student for the current school year. The plan must:

- (1) Identify the health care services the student may receive at school relating to their asthma or anaphylaxis condition;
- (2) evaluate the student’s understanding of and ability to self-manage their asthma or anaphylaxis condition;

- (3) permit regular monitoring of the student's self-management of their asthma or anaphylaxis condition by an appropriately credentialed health care professional;
- (4) include the name, purpose, and dosage of the prescription asthma or anaphylaxis medication prescribed for the student;
- (5) include procedures for storage and access to backup supplies of such prescription asthma or anaphylaxis medication; and
- (6) be signed by the student's parent or guardian and the licensed health care provider responsible for treatment of the student's asthma or anaphylaxis condition. The school may consult with a registered nurse or other health care professional employed by the school during development of the plan.

The plan and the signed statement provided by the parent or guardian must be kept on file at the school where the student is enrolled.

Under the asthma or anaphylaxis medical management plan, a student with asthma or anaphylaxis will be permitted to self-manage their asthma or anaphylaxis condition in the classroom or any part of the school or on school grounds, during any school-related activity, or in any private location specified in the plan.

The student for whom an asthma or anaphylaxis medical management plan has been developed must promptly notify the school nurse, nurse's designee, or another designated adult at the school when he or she has self-administered prescription asthma or anaphylaxis medication pursuant to the plan.

If a student for whom an asthma or anaphylaxis medical management plan has been developed uses his or her prescription asthma or anaphylaxis medication other than as prescribed, he or she may be subject to disciplinary action by the school, except that such disciplinary action may not include a limitation or restriction on the student's access to such medication. The school must promptly notify the parent or guardian of any disciplinary action imposed.

If a student for whom an asthma or anaphylaxis medical management plan has been developed injures school personnel or another student as the result of the misuse of necessary asthma or anaphylaxis medical supplies, the parent or guardian of the student for whom such plan has been developed will be responsible for any and all costs associated with the injury.

As advanced to second-round consideration, LB 1148 proposes to amend existing law (25-21,280) to provide immunity from civil liability for any school nurse, nurse's designee, or other designated adult for any act or omission related to the self management of a student's asthma or anaphylaxis condition under the bill that results in damage or injury, except when the damage or injury was caused by a willful or wanton act or omission of the nurse, nurse's designee, or designated adult.

<b>LB 1199</b>	<i>Subject:</i> Child sexual assault	<i>Sponsored by:</i> Bourne	<i>Prioritized by:</i> Flood	<i>Effective Date:</i> July 14, 2006
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LB 1199 changes both the criminal code and the Nebraska Student Discipline Act. The bill creates a new criminal offense of “sexual assault of a child in the first degree.” A person commits the offense if he or she subjects another person under 12 years of age to sexual penetration and the actor is at least 19 years of age or older. The new offense would be classified as a Class IB felony with a mandatory minimum sentence of 25 years in prison for the first offense.

LB 1199 changes the Student Discipline Act (79-267) relating to the grounds for long-term suspension, expulsion, or mandatory reassignment. The bill adds the offense of sexual assault of a child in the first degree among those offenses that is actionable by a school district for disciplinary action. It should be noted that expulsion for sexual assault of a child in the second or third degree off school grounds is authorized (not just 1st degree).

LB 1199 also provides that a political subdivision may enact an ordinance, resolution, or other legal restriction prescribing where sex offenders may reside, if such restrictions are limited to sexual predators, to extend no more than 500 feet from a school or child care facility.

Such an ordinance, resolution, or other legal restriction enacted by a political subdivision may not apply to a sexual predator who:

- (a) Resides within a prison or a correctional or treatment facility operated by the state or a political subdivision;
- (b) Established a residence before July 1, 2006, and has not moved from that residence; or
- (c) Established a residence after July 1, 2006, and the school or child care facility triggering the restriction was established after the initial date of the sexual predator’s residence at that location.

<b>LB 1208</b>	<i>Subject</i> Distance education	<i>Sponsored by</i> Raikes	<i>Prioritized by</i> Raikes	<i>Effective Date</i> July 14, 2006
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*Distance Education Council:* A Distance Education Council is created to coordinate distance education. The Council is composed of one representative from each ESU. The Council will facilitate scheduling of distance education courses. There are 336 sites, including schools, ESUs, and higher education institutions which may participate in distance learning. The estimated total cost for software for a scheduling system to include all of the sites is \$1,008,000 of general funds. The projected general fund cost is \$492,000 in 2006-07, \$264,000 in 2007-08, and \$252,000 in 2008-09.

*Chief Information Officer:* The bill requires the Chief Information Officer (CIO) to bid for equipment and software for school districts, ESUs, community colleges, state colleges and the

University of Nebraska to participate in distance learning. The CIO is charged with developing and maintaining a telecommunications network to be called Network Nebraska. All schools, ESUs and public higher education institutions are to have access to the Network no later than July 1, 2012. The CIO is to establish a cost structure based on actual costs plus administrative expenses and shall charge participants according to such cost structure. The CIO is also to apply for reimbursement from the federal Universal Service Fund on behalf of school districts requesting to be included in an aggregate application.

*Nebraska Department of Education:* NDE would be responsible for the verification of distance education course offerings and distribution of lottery funds for equipment and course incentives. Rules are to be developed for the distribution of lottery funds. The department is also charged to evaluate Internet-based distance education courses.

*State Aid Formula:* The bill changes the computation of state aid for school districts in several ways.

1. Technology Allowance: A new allowance for distance education and telecommunications is established in the formula. An allowance will not change the overall amount of state aid allocated, but will alter the distribution of aid among school districts. The allowance enables 85% of the expenditures for telecommunications services, access to networks and transmission costs less receipts from the Universal Service Fund to be attributed to the school districts which actually have the expenditures rather than have the expenditures spread out amongst all districts in the cost grouping. The allowance will lower the cost group cost per student in the state aid formula. Schools not having expenditures for distance education will receive less state aid due to the lower cost group cost per student and those having the expenditures should receive additional state aid, if they are equalized.
2. Accountable Receipts Exceptions: The bill excludes funds received from other school districts for providing distance education courses as an accountable receipt for purposes of determining resources in the state aid formula. The amount expended by school districts to offer courses is included in the computation of general fund operating expenditures, but the offsetting receipt will not be an accountable resource, so state aid will increase two years later by the amount expended on distance education courses. Currently, expenditures for the majority of the courses are not included in general fund operating expenses for purposes of calculating state aid because expenses are run through interlocal cooperatives or ESUs. The amounts received as incentive aid through the lottery are also not considered to be accountable receipts since lottery funds are not accountable in the formula.
3. Spending Lid Exclusions: LB 1208 allows schools to exceed allowable growth rates by the amount received from other districts for providing distance education courses. Schools may also exceed the budget lid by the amount expended for consortia expenses pursuant to an interlocal agreement in 2006-07. Most distance education programs are currently operated through interlocal agreements with a consortia or ESU. The exclusions allow the expenses and revenue related to the courses to continue to be outside of the budget lid.

*Aid to ESUs - Technology Infrastructure:* The bill changes the allocation of aid to ESUs for technology infrastructure. A technology allowance is added to the allocation formula. The allowance will not change the overall amount of technology infrastructure aid allocated, but will alter the distribution of aid among ESUs. The allowance enables ESUs having telecommunications expenditures to receive aid equal to 85% of the expenditures for telecommunications services, access to networks and transmission costs less receipts from the Universal Service Fund and school districts or entities.

*Biennial Course Offering:* LB 1208, as passed, also includes the provisions of LB 969. The bill provides that a school district may not establish an alternating biennial secondary course offering in any subject area in which the State Board of Education has adopted content standards. The State Board of Education currently has content standards in math, science, social studies/history and reading/writing. LB 1208 delays this requirement until the beginning of the 2009-10 school year.

*Funding for the Loan Forgiveness Program:* As passed, LB 1208 provides funding for the Attracting Excellence to Teaching Program Act (the teacher loan forgiveness program) from lottery proceeds, specifically the Education Innovation Fund. Under LB 1208, the Education Innovation Fund would be disbursed as follows:

EDUCATION INNOVATION FUND:  
Distribution of Funds 2006-16 as per LB 1208 (2006)

	<i>Loan Forgiveness Program</i>	<i>Reorganization Incentives</i>	<i>Distance Education*</i>
2006-07	\$250,000	\$1 million	Remainder in Fund***
2007-08	\$500,000	- 0 -**	Remainder in Fund***
2008-09	\$750,000	- 0 -**	Remainder in Fund***
2009-16	\$1 million	- 0 -**	Remainder in Fund***

\* For equipment and incentives

\*\* Reorganization incentive program created under LB 1091 (2004) terminated

\*\*\* After administrative costs

*Eligibility for the Loan Forgiveness Program:* The Attracting Excellence to Teaching Program Act is codified in statute under 79-8,132 to 79-8,140. Under the program, an eligible student means an individual who (a) is a full-time student, (b) is enrolled in an eligible institution in a teacher education program, and (c) is a resident student if enrolled at a state-funded eligible institution, or, if enrolled in a privately funded eligible institution, deemed a resident student if enrolled in a state-funded eligible institution.

NDE is authorized to administer the program either directly or by contracting with a public or private entity. To be eligible for the program, an eligible student must:

1. Graduate in the top quarter of his or her high school class or have a minimum cumulative grade-point average of 3.0 on a four-point scale in an eligible institution;

2. Agree to complete a teacher education program at an eligible institution; and
3. Commit to teach in an accredited or approved public or private school in Nebraska upon successful completion of a teacher education program at an eligible institution and becoming certified pursuant to sections 79-806 to 79-815.

Eligible students may apply on an annual basis for loans in an amount of not more than \$2,500 per year. Priorities for loans must be to eligible students who are majoring in subject shortage areas as defined by NDE. Loans awarded to individual students may not exceed a cumulative period exceeding five consecutive years.

<b>LB 1256</b>	<i>Subject</i> Early childhood ed.	<i>Sponsored by</i> Brashear	<i>Prioritized by</i> Brashear	<i>Effective Date</i> See below
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LB 1256 establishes an endowment fund to provide early childhood education grants to programs for at-risk children from birth to age three. NDE is to request proposals from private endowments to be the provider for the Nebraska Early Childhood Endowment within 90 days of passage of the bill. The endowment provider must place no less than \$20 million in a private endowment within five years. At least \$1 million must be placed in the endowment prior to December 31, 2006 and a minimum of \$5 million prior to June 30, 2007. All interest, earnings and proceeds from the endowment are deposited into the Early Childhood Endowment Cash Fund at least quarterly to be used for grants, evaluation and technical assistance.

The bill provides for the Early Childhood Endowment Fund to consist of \$40 million of the Cash Reserve Fund, which would remain in the Cash Reserve Fund, on the effective date of an endowment agreement until June 30, 2007. The interest earned on the \$40 million accrues to the Early Childhood Education Cash Fund. After July 1, 2007, the Early Childhood Endowment Fund will consist of the greater of \$40 million, or 10% of the value of funds belonging to the state for educational purposes (Permanent School Fund), if the constitutional amendment contained in LB 1006 passes in November 2006. LB 1006 is a proposed constitutional amendment related to trust funds used for educational purposes. If the amendment does not pass, then the endowment agreement may provide for the obligations of the endowment provider to terminate if another source of funding is not secured.

A six-member Early Childhood Education Endowment Board of Trustees is created to administer the grant program. Grants may be provided to school districts, cooperatives of school districts and educational service units. Grant recipients are eligible for up to 50% of the total budget of the program each year. Continuation grants may be awarded.

<b>LB 1006</b>	<i>Subject</i> Early childhood ed.	<i>Sponsored by</i> Bourne	<i>Prioritized by</i> Bourne	<i>Effective Date</i> See below
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LB 1006 originally proposed to reduce the maximum levy for school districts and local systems to \$1.025 for 2006-07 and \$1.00 for 2007-08. As the bill emerged from committee, however, it took on an entirely different purpose.

As passed by the Legislature, LB 1006 was converted into a proposed constitutional amendment. The proposed amendments would modify sections 7, 8, and 9 of Article VII, of the Constitution of Nebraska to create an early childhood education endowment fund from the perpetual funds.

Article VII, section 7 would be amended by modifying the purposes for which perpetual funds are maintained. Currently, the funds are maintained for common school purposes. With the amendments, the funds would be maintained for educational purposes, including early childhood education.

Article VII, section 8 would be amended by clarifying that educational purposes would include early childhood education. The section directs the interest and income from funds held for educational purposes to be deemed as trust funds to be used for such purposes.

Article VII, section 9 would be amended by creating an early childhood education endowment fund in an amount equal to \$40 million or 10% of the value of the perpetual funds, whichever is greater, plus any additional funds allocated by the Legislature. Only interest or income could be appropriated for the exclusive purpose of supporting early childhood education. Early childhood education would be defined as programs promoting social, emotional, intellectual, language, physical, and aesthetic development and learning for children from birth to kindergarten-entrance age. The section would also be amended by authorizing the early childhood education endowment fund as an appropriate use of funds that would otherwise be used exclusively for the support and maintenance of the common schools.

The proposed amendment to the Constitution of Nebraska would be submitted to the electors at the general election in November 2006 with ballot language requesting, "A constitutional amendment to permit use of funds dedicated to the schools for early childhood education."



**II. Interim Studies, 2006**

—*Studies referred to the Education Committee*—

Education Committee Interim Study Priority List

<i>LR</i>	<i>Subject</i>	<i>Priority</i>
336	Interim study of educational service units	1
345	Interim study to review community college funding statutes	1
378	Interim study to examine issues within the jurisdiction of the Education Committee	1
308	Interim study to examine the funding mechanisms of Nebraska’s two tribally-controlled community colleges	2
395	Interim study to examine school district boundary issues, adequacy of financial resources, racial diversity, and other issues in the Douglas County metropolitan area	3
414	Interim study to review the status of public higher education	3

**LR 336**      *Introduced by*      *Referred to*  
                   Bourne                      Education Committee

PURPOSE: To study the structure of educational service units in Nebraska. The study shall include, but not be limited to, the following:

- (1) An examination of the legislative intent with respect to the initial creation of educational service units;
- (2) An examination and comparison of the services provided by the different educational service units;
- (3) An examination of the educational service unit boundaries relative to the school districts that are served by each educational service unit;
- (4) An examination and comparison of the property taxes levied by each educational service unit; and
- (5) An examination of the efficiencies that may be realized by the creation of one, statewide educational service unit.

**LR 345**      *Introduced by*      *Referred to*  
                   Synowiecki                  Education Committee

PURPOSE: The purpose of this study is to review Nebraska’s existing community college funding statutes to identify changes that would advance quality postsecondary educational opportunities which best serve the State of Nebraska and the constituents of each community college area.



**LR 414**      *Introduced by*      *Referred to*  
Erdman                                  Education Committee

**PURPOSE:** The purpose of this study is to review the status of public higher education in Nebraska by examining the following specific questions to be answered by this study rather than focusing only on increasing student enrollment at these institutions:

- (1) What is the long-term sustainability of our current public higher education system in Nebraska?
- (2) How do the missions of our community colleges, state colleges, and university system link and what can be done to improve efficiencies within the Nebraska public higher education system?
- (3) How many colleges and university campuses should the state support based on present and future demographics of the state?
- (4) How should state public higher education institutions be coordinated and governed?
- (5) What proportion of tuition, private support, and tax dollars should be used to finance public higher education in Nebraska?
- (6) What should be the focus of legislation in the next decade regarding public higher education other than increasing student enrollment?

*—Studies referred to the Retirement Committee—*

**LR 37**      *Introduced by*      *Referred to*  
D. Pederson                                  Retirement Committee

**PURPOSE:** The Public Employees Retirement Board has fiduciary responsibility with respect to the administration of retirement systems with a market value in excess of \$7.2 billion and a membership of over 96,000 active, inactive, and retired public employees. The purpose of this study is to examine the composition, qualifications, terms of service, and duties and responsibilities of the Public Employees Retirement Board as defined in law.

**LR 338**      *Introduced by*      *Referred to*  
Retirement Com.      Retirement Committee

**PURPOSE:** The purpose of this study is to examine the public employee retirement systems administered by the Public Employees Retirement Board, including the State Employees Retirement System, the County Employees Retirement System, the School Employees' Retirement System, the Nebraska State Patrol Retirement System, and the judges retirement system. The study may also examine the Class V School Employees Retirement System administered under the Class V School Employees Retirement Act. The study will examine issues as they relate to the funding needs, benefits, contributions, and the administration of each retirement system.

**LR 339**      *Introduced by*      *Referred to*  
Retirement Com.      Retirement Committee

PURPOSE: The purpose of this study is to review and update the General Principles of Sound Retirement Planning. The General Principles of Sound Retirement Planning are utilized by the Nebraska Retirement Systems Committee as a guide to evaluate proposed legislation and issues regarding Nebraska's public retirement systems. The General Principles are also used by the Legislature as a guide on each of the retirement systems administered by the Public Employees Retirement Board and those systems not administered by the board.

**LR 340**      *Introduced by*      *Referred to*  
Retirement Com.      Retirement Committee

PURPOSE: The purpose of this study is to review the actuarial assumptions used to perform the annual actuarial valuation for the retirement systems administered by the Public Employees Retirement Board. The actuarial assumptions reviewed by this study shall include, but not be limited to, investment return, inflation, salary increase, interest on employee contributions, increases on compensation and benefit limits, mortality, retirement, and disability.

**LR 341**      *Introduced by*      *Referred to*  
Retirement Com.      Retirement Committee

PURPOSE: The purpose of this study is to examine the treatment of compensation for the purposes of calculating retirement benefits under both the School Employees Retirement Act and the Class V School Employees Retirement Act and to determine whether such provisions are appropriate in order to ensure uniformity among all school employees. The study will examine additional technical corrections and clarification of statutory language for the School Employees Retirement Act and the Class V School Employees Retirement Act. Modifications to benefits and contributions may also be considered.

**LR 342**      *Introduced by*      *Referred to*  
Retirement Com.      Retirement Committee

PURPOSE: The purpose of this study is to examine the minimum benefit for the purchasing power of the original benefit received upon retirement for members of the School Employees' Retirement System.

**LR 343**      *Introduced by*      *Referred to*  
Retirement Com.      Retirement Committee

PURPOSE: The purpose of this study is to examine the need for the State of Nebraska to make an additional contribution to the School Employees' Retirement System administered under the Class V School Employees Retirement Act, if an actuarial contribution is required to be made by

the State of Nebraska for the School Employees' Retirement System administered by the Public Employees Retirement Board. The study may review and compare the funding needs, benefits, contributions, and the administration of the systems under both the School Employees Retirement Act and the Class V School Employees Retirement Act.

**LR 356**      *Introduced by*      *Referred to*  
                 Bourne                                  Retirement Committee

**PURPOSE:** To study the School Employees Retirement Act and to determine the feasibility of amending the act to make participation in the School Employees' Retirement System voluntary. The study shall include, but not be limited to, an examination of other states' school employees retirement systems to determine how many states provide for compulsory participation and how many school employees in Nebraska, on average, participating in the School Employees' Retirement System, leave the system after five years or less of service.

—*Studies referred to the Revenue Committee*—

**LR 310**      *Introduced by*      *Referred to*  
                 Friend                                  Revenue Committee

**PURPOSE:** The purpose of this study is to review the fairness of the property tax valuation system in the State of Nebraska on residential, commercial, and agricultural property, while also analyzing its uniformity among counties and classes of properties. The study also should include recommendations on how the Department of Property Assessment and Taxation can promote predictability in any increases in property assessments.

**LR 423**      *Introduced by*      *Referred to*  
                 Landis                                  Revenue Committee

**PURPOSE:** The purpose of this study is to continue and improve work done by the Revenue Committee of the Legislature during past interims to inform the Legislature and other interested parties of Nebraska's tax structure compared with the past and with other states. Carrying out the purposes of this study does not involve conducting public hearings, but should result in one or more reports to the Legislature detailing Nebraska's tax structure. Examples of reports conducted pursuant to this study would include the base and rates of Nebraska's sales, income, property, excise, and miscellaneous taxes in comparison to the past or to other states; spending by the state and local governments compared to that of governments in other states; the effectiveness of tax reform legislation enacted in the past; and financial and tax policy implications of tax reform or restructuring proposals that have been proposed during recent legislative sessions or arise during this interim. This study shall be directed toward gathering information that will assist the Legislature in training new members of the Legislature and their staff, and in evaluating the State of Nebraska's tax structure in future years.