

# ***NCSA Final Legislative Report***

***First Session, 95th Legislature (1997)***

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*Submitted by*

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## ***Table of Contents***

I. Legislation Passed and Signed into Law.....	1-23
A. Overview .....	1
B. Legislative Summaries .....	2-23
II. Carry-over Legislation .....	24-27
III. List of Interim Studies .....	28-35
IV. Supplement .....	36



*Nebraska Council of School Administrators*

# I. Legislation Passed and Signed into Law

## A. Overview

<b>BILL</b>	<b>SPONSOR</b>	<b>BRIEF DESCRIPTION</b>	<b>PG.</b>
LB 70	Cudaback	Permit the state and political subdivisions to accept credit card payments	2
LB 85	Schellpeper	Change law relating to the remittance of funds collected by county treasurers	2
LB 86	Schellpeper	Relating to motor vehicle taxation	3
LB 91e	Robak	Increase penalties for speeding in school crossing zones	3
LB 118	Janssen	Allow certain districts to pursue mini-grants from the Education Innovation Fund	3
LB 151e	Landis	Reenact provisions of the Uniform Arbitration Act ruled unconstitutional	4
LB 180	Coordsen	Create a new fund and annually appropriates \$20 million for three years	4
LB 206	Bohlke	Increase fees for teachers'and administrators'certificates by \$5	4
LB 221	Schimek	Prohibit any person from holding more than one high office simultaneously	4
LB 232e	Bromm	Permit option for districts concerning alternative education for expelled students	5
LB 269e	Rev. Com.	Change provisions concerning property tax levy limitations	6
LB 270e	Rev. Com.	Change provisions relating to property taxation and assessment	8
LB 271e	Warner	Eliminate valuation and taxation of motor vehicles	8
LB 342e	Warner	Allow a district to file a change on the adjusted valuation if there was a mistake	9
LB 343	Warner	Permit a uniform date prior to September 30, 1998 to exceed the levy limitations	9
LB 397e	Kristensen	Transfer duties to the Tax Equalization and Review Commission (TERC)	10
LB 460	Robinson	Change provisions relating to petitions and petition signers	10
LB 595e	Robinson	Allow nomination of board members by district or ward and change greenbelt law	10
LB 623e	Retire. Com.	Change technical provisions in the five state retirement plans and the OPS plan	11
LB 624	Retire. Com.	Change various provisions relating to retirement systems	12
LB 710	Bohlke	NDE's technical clean-up bill for 1997; modifies LB 806	13
LB 713	Bohlke	Change provisions relating to state aid certification	14
LB 724	Wickersham	Permit school employees to purchase up to five years of service credit	14
LB 806	Ed. Com.	The comprehensive school finance legislation of 1997	14
LB 806A	Bohlke	Appropriation bill for LB 806	21
LB 809	Landis	Adopt the Nebraska Elementary and Secondary School Finance Authority Act	21
LB 835	Hillman	Provide for a Seamless Delivery System Pilot Project in Scottsbluff	21
LB 851	Crosby	Provide guidelines and timelines for employment of educational interpreters	22
LB 865	Ed. Com.	Change and eliminate provisions relating to special education	23

# I. Legislation Passed and Signed into Law

## B. Legislative Summaries

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**LB 70****Passed:** May 21, 1997 (42-1)**Effective Date:** September 13, 1997

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**Sponsors:** Cudaback, Robinson, Schrock, Vrtiska**Committee:** Government, Military and Veterans Affairs

**Summary:** LB 70 provides that any state official, state agency, county treasurer, county official, or political subdivision official (including school districts) may accept credit cards, charge cards, or debit cards as a method of cash payment of any tax, levy, excise, duty, custom, toll, interest, penalty, fine, license, fee, or assessment of any nature, whether general or special. In addition any political subdivision operating a facility in a proprietary capacity may choose to accept credit cards, charge cards, or debit cards as a means of cash payment and may adjust the price for services to reflect the handling and payment costs. The legislation does not require any political entity to do anything unless such entity opts to provide such a means of payment.

**CONTRACTING:** The legislation provides several means of establishing the authority to provide credit card payments. In either case, a political subdivision, desiring to offer such a payment method, is required to contract with one or more credit card, charge card, or debit card companies or third party merchant banks. The political subdivision may either join the contract plan set forth by the state as outlined below, or it may contract alone or jointly with other political subdivisions collectively.

**THE STATE PLAN:** If the political subdivision opts to join the contract set forth by the state, then it will adhere to the determinations of the State Treasurer and the Director of Administrative Services who are authorized to determine the types of credit cards, charge cards, or debit cards to be accepted and the types of services provided (under the state plan). The State Treasurer and director are to receive the advice of a committee convened by them consisting of the State Treasurer, the Tax Commissioner, the director, and representatives from counties, cities, and other political subdivisions as “may be appropriate.” The committee is designed to develop recommendations for the contracting of such services under the state plan. The State Treasurer and the director are to then contract with one or more credit card, charge card, or debit card companies or third party merchant banks for services on behalf of the state and political subdivisions that choose to participate in the state contract for such services.

**SURCHARGE:** Political subdivisions authorizing acceptance of credit card or charge card payments will be authorized, but not required, to impose a surcharge or “convenience fee” upon the person making a payment by credit card or charge card to offset the amount of any discount or administrative fees charged to the political subdivision. The surcharge or convenience fee will be applied only when allowed by the operating rules and regulations of the credit card or charge card involved or when authorized in writing by the credit card or charge card company involved. When a person elects to make a payment to a political subdivision by credit card or charge card and such a surcharge or convenience fee is imposed, the payment of the surcharge or convenience fee will be deemed voluntary by such person and will not be refundable.

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**LB 85****Passed:** March 4, 1997 (42-0)**Effective Date:** September 13, 1997

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**Sponsor:** Schellpeper**Committee:** Government, Military and Veterans Affairs

**Summary:** LB 85 amends the law which requires that on or before the 15th day of each month a county treasurer must make payments to each city, village, and school district of any funds collected or received for the previous month. A new subsection (b) is added which provides that if such funds are less than \$25, the county treasurer may hold the funds until they are equal to or exceed \$25. In no case may the county treasurer hold such funds for longer than six months.

The Legislature’s Fiscal Analysis Office reports that the change made by LB 85 may result in a slight reduction in the expense of making such remittances to county treasurers. The change may also alter the monthly timing of the flow of funds from county treasurers to certain affected political subdivisions. However, the fiscal impact reports that there “would be no net change in the total flow of funds to the affected political subdivisions.”

**I. Legislation Passed and Signed into Law**  
**B. Legislative Summaries - continued**

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**LB 86****Passed:** April 16, 1997 (39-0)**Effective Date:** September 13, 1997

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**Sponsors:** Schellpeper, Preister**Committee:** Revenue

**Summary:** LB 86 would amend section 77-1239 (schedule of values for motor vehicle taxation) to provide that the tax commissioner adjust the value at least 12% lower if the vehicle, when sold, has over 10,000 miles on the odometer.

LB 86 also amends section 77-1240.03 to provide that a pro-rata refund of vehicle taxes could be made to the owner if the vehicle is returned pursuant to a lease. Currently, a pro-rata share of the taxes are returned to the owner only if the car is sold or the owner changes residence.

The Legislature's Fiscal Analysis Office indicates that LB 86 will result in a tax shift from the property taxpayers as set out in the bill to the other property taxpayers (real property, personal property and motor vehicles not affected by this bill). This shift may vary between subdivisions and could impact the measure of wealth for purposes of state aid to school distributions. However, this tax shift is estimated to be minimal. (*Note: See also LB 271 relating to the elimination of the current motor vehicle property tax system.*)

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**LB 91e****Passed:** June 5, 1997 (43-0)**Effective Date:** June 12, 1997

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**Sponsors:** Robak, Crosby, Maurstad, Schimek, Withem, Abboud**Committee:** Transportation

**Summary:** This legislation recites several existing statutes in addition to the provisions of LB 91e as the "Nebraska Rules of the Road." The bill defines "school crossing zone" as the area of a roadway designated to the public by the Department of Roads or any county, city, or village as a school crossing zone through the use of a sign or traffic control device as specified by the department or any county, city, or village in conformity with the manual but does not include any area of a freeway. A school crossing zone starts at the location of the first sign or traffic control device identifying the school crossing zone and continues until a sign or traffic control device indicates that the school crossing zone has ended.

The new law provides that fines for speeding will be doubled if the violation occurs within a school crossing zone. LB 91e also creates a new offense which makes it unlawful for a person operating a motor vehicle to pass another vehicle in a school crossing zone in which the roadway has only one lane of traffic in each direction. Any person convicted of overtaking and passing another vehicle in a school crossing zone is guilty of a traffic infraction and will be fined up to \$200 for the first offense and at least \$200, but not more than \$400, for a subsequent offense.

LB 91e was passed with the emergency clause attached.

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**LB 118****Passed:** March 21, 1997 (39-0)**Effective Date:** September 13, 1997

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**Sponsors:** Janssen, Robinson, Schellpeper**Committee:** Education

**Summary:** LB 118 expands the provisions of the Education Innovation Fund to allow school districts with annual expenditures of \$350,000 or less to be eligible for mini-grants for the same purposes as the major competitive grant. Currently, mini-grants are only allocated to schools for the development or revision of strategic school improvement plans. The Excellence in Education Council indicates there are 318 school districts with expenditures of \$350,000 or less in school year 1996-97. The bill will allow these districts to apply for mini-grants for the same purposes as a major competitive grant.

## I. Legislation Passed and Signed into Law

### B. Legislative Summaries - *continued*

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**LB 151e**                      **Passed:** June 4, 1997 (44-0)                      **Effective Date:** June 11, 1997

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**Sponsors:** Landis, Jensen, Matzke

**Committee:** Judiciary

**Summary:** In May, 1996 Nebraska voters amended the State Constitution and authorized the Legislature to "provide for the enforcement of mediation, binding arbitration agreements, and other forms of dispute resolution..."

LB 151e provides the requisite implementing language. It amends Nebraska's Uniform Arbitration Act to provide the right to enter binding agreements to arbitrate. This act does apply to arbitration agreements between employers and employees or between their representatives. Claims for workers' compensation may not be arbitrated. LB 151e provides that if parties have either: (1) a written agreement to submit an existing controversy to arbitration; or (2) a provision in a written contract to submit to arbitration, then such agreement or provision in a written contract is valid, enforceable, and irrevocable except upon such grounds as exist at law or in equity for the revocation of any contract.

LB 151e was passed with the emergency clause attached.

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**LB 180**                      **Passed:** May 30, 1997 (26-4)                      **Effective Date:** September 13, 1997

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**Sponsors:** Coordsen, Kristensen, Landis, Warner, Wickersham

**Committee:** Revenue

**Summary:** This legislation creates the Property Tax Reduction Incentive Fund. The fund will be used for specific programs for property tax relief as determined by the Legislature. The programs may include: (1) increased state aid to political subdivisions; or (2) program takeovers by the state of programs that are funded in whole or in part by property taxes. The program takeovers are intended to include funding for core services provided by educational service units.

LB 180 annually transfers \$20 million from the General Fund to the Property Tax Reduction Incentive Fund by August 1st of 1998, 1999, and 2000. Implied within this new law is the Legislature's authority to determine how the funds will be dispersed each year.

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**LB 206**                      **Passed:** March 4, 1997 (39-0)                      **Effective Date:** September 13, 1997

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**Sponsors:** Bohlke, Withem

**Committee:** Education

**Summary:** LB 206 increases the fee for a teacher or administrative certificate from \$40 to \$45. The \$5 increase in the fee is to be credited to the Professional Practices Commission Fund. The bill increases the part of the teacher/administrator certificate fee designated for the PPC Fund from \$10 to \$15. The remainder is deposited in the Teachers Certification Fund. The bill would produce an estimated \$35,000 in additional operational revenue for the PPC each year.

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**LB 221**                      **Passed:** March 4, 1997 (41-0)                      **Effective Date:** September 13, 1997

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**Sponsors:** Schimek, Crosby, Robinson

**Committee:** Government, Military and Veterans Affairs

**Summary:** LB 221 prohibits any person currently serving in a "high elective office" to simultaneously serve in any other high elective office. "High elective office" includes all constitutionally established offices (e.g., Legislature, Governor, State Board of Education, etc.) and county, city or school district elective offices.

**I. Legislation Passed and Signed into Law**  
**B. Legislative Summaries - continued**

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**LB 232e****Passed:** June 5, 1997 (41-0)**Effective Date:** June 12, 1997

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**Sponsors:** Bromm, Coordsen, Engel, Hudkins, Janssen, Jones, Robinson, Stuhr, Vrtiska**Committee:** Education

**Summary:** LB 232e essentially changes two separate sections of the Nebraska Student Discipline Act. The first change occurs in section 79-256 which currently provides definitions for long-term suspension, expulsion, and mandatory reassignment. LB 232e amends this section to include a definition of short-term suspension. The new law defines “short-term suspension” as the exclusion of a student from attendance in all schools within the system for a period not to exceed five school days. The other change contained in LB 232e is more substantive in nature.

**APOLICY CHOICE:** The new law offers school districts an option with regard to the alternative education mandate created in 1995. LB 232e provides that beginning July 1, 1997 each school district must either have an alternative education program for expelled students in place, OR must abide by, what NCSA refers to as, “pre-expulsion procedures” in the event a student is expelled. If a district chooses to offer an alternative education program for expelled students, it will adhere to the same statutory requirements in existence prior to LB 232e, along with the guidelines provided under the Department of Education’s Rule 17. If a district chooses not to offer an alternative education program, then Rule 17 would not apply to the district but the following new requirements would apply.

**PRE-EXPULSION PROCEDURE:** LB 232e states that if a district opts not to offer an alternative education program, then it must, prior to expelling a student, convene a “conference called by a school administrator” and attended by: (a) a parent or legal guardian, (b) the student, (c) a school representative, and (d) a representative of either a community organization with a mission of assisting young people or a representative of an agency involved with juvenile justice. *[NOTE: Since “calling” and “attending” a meeting may be two different activities, it is assumed that the “school representative” could in fact be the school administrator who “called” the conference.]* The purpose of the conference (or meeting) is outlined below, but it should be emphasized that the purpose does not include debating the issue of whether to expel the student in question.

**PURPOSE OF THE CONFERENCE:** LB 232e requires that participants of the conference are to assist the district in the development of a written “plan” to be adopted by a school administrator and presented to the student and the parent/legal guardian. The plan must: (a) specify guidelines and consequences for behaviors which have been identified as preventing the student from achieving the desired benefits from the educational opportunities provided; (b) identify educational objectives that must be achieved in order to receive credits toward graduation; (c) specify the financial resources and community programs available to meet both the educational and behavioral objectives identified; and (d) require the student to attend monthly reviews in order to assess the student’s progress toward meeting the specified goals and objectives. *[NOTE: Both (a) and (b) will most likely have to conform to the individual student depending upon his/her grade level, course completion, behavioral problems, offenses, etc. However, the third plan objective, (c), might be fairly constant from student to student based on the financial resources and community programs available in and around the district. The fourth objective, (d) monthly review meetings, would not require the participation of all those attending the original conference. Instead, the monthly meetings could be achieved between one district personnel and the student.]*

**EXCEPTION:** LB 232e specifically states that if the offense which warrants expulsion involves the knowing and intentional possession, use, or transmission of a firearm on school grounds, in a vehicle owned, leased, or contracted by a school being used for a school purpose or in a vehicle being driven for a school purpose by a school employee or his or her designee, or at a school-sponsored activity or athletic event. This type of offense carries an automatic sanction of a one-calendar-year expulsion (unless otherwise modified by the superintendent or school board). In the case of this type of offense, the pre-expulsion procedures contained in LB 232 do not apply. *[NOTE: Contrary to the analysis issued by the Department of Education, the exception outlined above applies only to the offense of firearms on school grounds or school leased/owned vehicles.]*

**COMMON QUESTIONS:** The following questions have been asked by school administrators and are provided below in order to supply the corresponding answers according to the intent of the legislation.

1. *QUESTION:* If a district elects not to offer an alternative education program beginning July 1, 1997 and instead adhere to the pre-expulsion procedures outlined in LB 232e, can that district opt to provide an alternative education program at a later date?

**I. Legislation Passed and Signed into Law**  
**B. Legislative Summaries**

**LB 232e** - *continued*

*ANSWER:* Yes. Nothing in LB 232e precludes a district from offering alternative education for expelled students at a later date. However, since one of the keys to student discipline is consistency, it would be unwise to change district policy during a school year whereby some expelled students might be treated differently than others. Such a change during the school year would also obligate the district to revamp and reissue its student handbook.

2. *QUESTION:* The participants of the conference must include a representative of either a community organization with a mission of assisting young people or a representative of an agency involved with juvenile justice. Would a local police officer suffice?

*ANSWER:* Consult your district legal counsel. However, some school administrators have mentioned to NCSA representatives that they do intend to invite a police officer to meet this obligation.

3. *QUESTION:* In terms of developing the plan, what does it mean to “specify the financial resources and community programs available to meet both the educational and behavioral objectives identified”?

*ANSWER:* This remains somewhat undetermined. However, it could mean identifying local and state organizations that provide financial assistance to young people, particularly those at risk. Perhaps a local organization would be willing to establish a fund by which expelled students could apply for financial assistance to participate in a community college course or a correspondence course. In summary, so far as we can tell, the determination of financial resources and community programs depends upon what is available in the district or surrounding area.

4. *QUESTION:* Can a district utilizing the pre-expulsion procedure use the existing statutory authority to “suspend the enforcement” of the expulsion?

*ANSWER:* Yes. Section 79-266(3) allows a school district that has expelled a student to suspend the enforcement of such expulsion unless the expulsion was required by section 79-283(4) (the firearm on school grounds offense). The suspension may be for a period not to exceed the length of the expulsion. The fact that a district does not offer alternative education would not preclude it from suspending the enforcement of an expulsion (except for the firearm offense noted above).

In addition, LB 232e provides that a district which opts to offer alternative education may also opt to suspend the enforcement of an expulsion (except for the offense of a firearm on school grounds) AND it may, as a condition of such suspension, require the development of a plan outlined in the pre-expulsion procedures.

5. *QUESTION:* When does LB 232e take effect?

*ANSWER:* LB 232e carried the emergency clause and became effective one day after the Governor signed it into law. Therefore, LB 232e became effective on June 12, 1997.

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**LB 269e**

**Passed:** May 30, 1997 (42-1)

**Effective Date:** See Supplement

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**Sponsor:** Revenue Committee

**Committee:** Revenue

**Summary:** LB 269e clarifies aspects of LBs 299, 1114, 1085 and 1177 (the 1996 property tax package) and makes some substantive changes. Many of these changes have come about due to difficulties implementing the 1996 laws, particularly the levy-setting provisions of LB 1085. The bill also revised the levy limit provisions applicable to community colleges and provided an aid program designed to accommodate the levy limitations.

*Limited Section-by-Section Analysis*

**SECTION 10:** Amends the Budget Act, section 13-508, to provide that budget documents filed with the State Auditor by September 20th need to contain an amount of property taxes to be levied, not the rate itself. This section and later sections also delay the levy setting deadline to October 31st. It also struck a provision prohibiting setting a levy which would generate more money than the budget requires, and replaces it with a requirement that the levy generate no more than 1% greater or lesser than the property tax requirement. Finally, this section specifies that calculation of the levy to four places right of the decimal point is sufficient for purposes of levy setting.

# I. Legislation Passed and Signed into Law

## B. Legislative Summaries

### LB 269e - continued

**SECTION 11:** Amends section 13-518 (LB 299, 1996) to allow political subdivisions to estimate population growth for purposes of the restricted funds limitation using housing starts, a proportionate share of part of a county, or by summing the populations of municipalities within the subdivision.

**SECTIONS 12 AND 13:** Amends sections 13-804 and 13-807 (the Interlocal Cooperation Act) to authorize local governments to act jointly to provide a service which either of them is entitled to do, rather than both as was the case with the current law.

**SECTION 34:** Amends section 77-201 to provide that replacement property is to be assessed at the net book value of the converted property on the date of the conversion unless insurance proceeds are available from the conversion.

**SECTION 35:** Amends section 77-203 to strike “real” before property taxes which are to be due and payable on December 31st. With the delay in levy setting from October 15th to November 1st, the due date for personal property tax is likewise delayed until December 31st. This places personal property on the same schedule as real property. Sections 77-205 and 77-206 (personal property tax schedule) were, therefore, repealed outright by the bill.

**SECTION 41:** Amends section 77-1601 to delay the final levy setting date for the county board of equalization from October 15th to November 1st and required the board to set levies certified by other political subdivisions only if the levy is within the limit of the law. This section also clarified that the levy for county government is to be the levy for all purposes, and struck some unnecessary language. Finally, this section provided that clerical errors shall be corrected by the county board when warranted.

**SECTIONS 42 AND 43:** Amends sections 77-1601.01 and 77-1601.02 to limit the levy setting requirements of LB 1085 (1996) to counties, municipalities, school districts, SIDs, NRDs, ESUs, and Community College areas, beginning in 1998. The amendments also provided that the levy setting requirements do not apply to bond levies and that the clerk of the county where the office of the political subdivision is located is responsible for the preliminary levy, rather than all the counties jointly.

The changes in these sections also clarified some terms. Individual political subdivisions certify levy rates to the county boards of equalization which then levy taxes. The requirement that a preliminary levy be set extends to political subdivisions which received property taxes the prior year. Finally, the amendments provided that levies set, which are not in compliance with the levy setting provisions of LB 1085 (1996), are unauthorized levies.

**SECTION 44:** Amends section 77-1606 to extend the right of taxpayers to challenge levies by filing an appeal with the Tax Equalization and Review Commission (TERC) to include disputes with any political subdivision which is alleged to be in non-compliance with LB 1085 or LB 1114 (1996).

**SECTIONS 45 TO 48:** Amends sections 77-1607 to 77-1610 to provide that appeals of tax levies be filed with the TERC.

**SECTIONS 49 AND 50:** Amends sections 77-1613 and 77-1613.01 to delay the preparation of the tax list by the county assessor from November 1st to November 30th and the deadline for preparation of the Certificate of Taxes Levied (CTL) from December 1st to December 5th. The bill would also clarify that the CTL is to be used for statistical measures in the equalization process.

**SECTION 56:** Amends section 77-3442 (LB 1114, 1996 levy limits) to define “commenced” for purposes of the exemption from the limits for commitments of the school building fund to mean any action of the school board on the record which commits the district to the expenditure of funds in planning or construction.

This section also changed the levy limits for community colleges from 8¢ per \$100 of taxable property beginning in 1998-99 and 4¢ beginning in 2001-02 to 8¢ for 1998-99 and 1999-2000 and 7¢ thereafter. Changes to this section also allow counties to allocate their 5¢ of levy authority in support of interlocal agreements to miscellaneous districts to support interlocal agreements of those districts. Finally amendments to this section clarified that levies in excess of the limits are “unauthorized” levies subject to be challenged.

**SECTION 58:** Amends section 77-3444 to clarify that votes to exceed the limits of section 77-3442 must not be for an amount that would exceed the maximum allowed for that political subdivision.

**SECTIONS 59 TO 61:** Amends sections 79-528, 79-1008, and 79-1024 to require school districts to report the amount of their building fund levy which is exempt under the grandfather clause of LB 1114 (1996) to the Department of Education.

**SECTION 62:** Amends section 79-1078 (Class VI common levy) to harmonize the levy limits in section 77-3442.

**I. Legislation Passed and Signed into Law**  
**B. Legislative Summaries**

**LB 269e** - continued

**SECTION 67:** Enacts a new section stating that it is the intention of the Legislature that 40% of the funding for community colleges come from the state and 40% from the property tax.

**SECTION 72:** Amends section 85-1517 to place a levy limitation amount in the community college statutes of 7¢ per \$100 of taxable property for 1998-99 and 1999-2000, and 6¢ for 2000-01 and beyond. In addition to that levy would be 1¢ for capital improvements. Any capital expenditure obligation entered into before January 1, 1997 would also be excluded.

**SECTION 76:** Enacts a new aid program for community colleges. The new program would supply from state funds any shortfall between the revenue raised by community colleges levying the maximum levy and 40% of their operating costs. The costs are to be calculated by using 1997-98 as a base and increasing it by an amount equal to full-time equivalent student growth plus 2% annually. Community colleges are to also receive aid necessary to make up any shortfall between the categorical aid provided by the current program and 40% of operating costs measured, as described above, if the area is levying the minimum levy. The minimum levy is 6.3¢ for 1998-99 and 1999-2000, and 5.3¢ for 2000-01 and beyond.

**SECTION 81:** Adds the emergency clause.

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<b>LB 270e</b>	<b>Passed:</b> June 3, 1997 (42-0)	<b>Effective Date:</b> See Supplement
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**Sponsor:** Revenue Committee

**Committee:** Revenue

**Summary:** LB 270e changes provisions relating to property taxation and assessment, changes powers and duties of the Property Tax Administrator, changes the requirement that the Property Tax Administrator employ six assistants to supervise appraisal to requiring six field liaisons to advise county assessors, eliminates certain provisions relating to property taxation and assessment, and renames the Tax Commissioner Revolving Fund to the Property Tax Division Revolving Fund. The Tax Equalization and Review Commission Cash Fund is created, and expenditures from this fund are authorized as set out in the bill.

This legislation was also used to make some technical changes to other bills passed this session, including LB 342 and LB 713. LB 270e carried the emergency clause.

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<b>LB 271e</b>	<b>Passed:</b> June 4, 1997 (34-11)	<b>Effective Date:</b> See Supplement
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**Sponsors:** Warner, Coordsen, Hartnett, Kristensen, Schellpeper, Wickersham

**Committee:** Revenue

**Summary:** LB 271e had been the subject of considerable debate and controversy during the session and culminated in a less than united 34-11 vote on Final Reading. The new law essentially eliminates the current motor vehicle property tax system and replaces it with tax and fee schedules. The system of taxation and fees under LB 271e will be based upon the age and original selling price of the vehicle (except for such vehicles as trucks and mobile homes which are based on weight). The original selling price will be based upon the manufacturers' suggested retail price. The fee portion will be graduated, as lower priced vehicles will pay a lower fee than higher priced vehicles, and older vehicles will pay a lower fee than newer vehicles.

**REVENUE DISTRIBUTION:** The motor vehicle tax created by the schedules set out in this bill will be distributed similarly to the current tax. That is, after the county deducts one percent for costs, the proceeds will be allocated to each taxing unit in the proportion of each unit's levy to the total levy on taxable property of all the taxing units in which the motor vehicle has situs. In other words, part of the revenues generated from the TAX will continue to be distributed to school districts. Revenue generated from the FEE will be distributed to counties and municipalities.

**FISCAL IMPACT:** When LB 271e was first placed on General File, it was touted to be revenue neutral, meaning no significant impact to those political subdivisions that depend upon the revenue generated from motor vehicle taxes.

**I. Legislation Passed and Signed into Law**  
**B. Legislative Summaries**

**LB 271e** - *continued*

However, during the debate on the legislation, an amendment was adopted which reduced the tax amounts to be collected. The legislation was then said to be revenue neutral on the aggregate but not necessarily neutral to all political subdivisions, particularly school districts. The Legislature's Fiscal Analysis Office reports that the fiscal impact of LB 271e on political subdivisions is "indeterminate." The current motor vehicle tax revenues amounted to almost \$152 million in 1996. If the new motor vehicle tax and fee generate the same revenues as the current tax, then there will be a neutral impact from a statewide perspective. However, if the motor vehicle tax and fee generate less revenues than the current motor vehicle tax revenues, then LB 271e could cause a tax shift to other taxable property. This tax shift will be limited by the applicable levy limits of current law (LB 1114, 1996), and could impact the measure of wealth for purposes of state aid to school distributions. If the motor vehicle tax and fee generate more revenues than the current motor vehicle tax revenues, then LB 271e could reduce tax levies on other property, assuming there is no net increase in local spending.

**OTHER PROVISIONS:** Other provisions of the new law provide that upon transfer of a motor vehicle, surrender of a lease, or transfer of situs to a place outside the state, the owner is entitled to a refund of the pro-rated and unexpired portion of the taxes and fees. The credit can be transferred to satisfy the taxes and fees owed on any replacement motor vehicle. In addition, local governments are prohibited from estimating that motor vehicle tax revenue for FY1997-98 will be less than 70% of the prior year's revenue from motor vehicle taxes. The new tax and fee schedules will become effective on January 1, 1998.

**FINAL COMMENTS:** As a final editorial remark, it seems as though the Legislature and the Governor will be watching to see what action school districts take in response to LB 271e. The Governor has threatened extended budget lid restrictions next session. Since LB 299 (1996) sunsets after the next school year, it was already assumed by some that the Legislature might consider an extension of the budget lids so that the LB 1059 lids could not resume. In other words, we have already anticipated the budget lid battle next year. The concern we now have is what impact a collective or individual response on LB 271e by school districts will have on our pursuit of LB 306, the special building fund bill. LB 306 is currently on General File and will carry over to the next legislative session. The question is whether the Legislature (and Governor) will be willing to consider such a measure if they perceive an abandonment by school districts of the quest for property tax relief. But this question will have to wait until next year.

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<b>LB 342e</b>	<b>Passed:</b> March 4, 1997 (43-0)	<b>Effective Date:</b> March 11, 1997
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**Sponsor:** Warner, Bohlke

**Committee:** Revenue

**Summary:** LB 342e provides procedures for the correction of clerical errors made in certifications of adjusted valuations. The bill allows school districts or counties to file a written request for a correction with the Property Tax Administrator. This request must be filed on or before March 15, 1997, for adjusted valuations certified in 1996, and on or before October 31 for adjusted valuations certified in following years. The Property Tax Administrator is required to approve or deny the requests in a specified time frame. If a request is approved, then the corrected valuations are to be reported to the State Department of Education.

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<b>LB 343</b>	<b>Passed:</b> April 10, 1997 (34-0)	<b>Effective Date:</b> July 1, 1998
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**Sponsor:** Warner

**Committee:** Revenue

**Summary:** LB 343 provides that the county clerk or election commissioner may set a uniform date for a special election to be held before September 30, 1998, to submit the issue of exceeding the levy limits provided in section 77-3443 to the voters of political subdivisions in the county seeking additional levy authority. Any political subdivision may individually or in conjunction with one or more other political subdivisions conduct a special election on a date different from that set by the county clerk or election commissioner. The bill becomes operative on July 1, 1998.

**I. Legislation Passed and Signed into Law**  
**B. Legislative Summaries - continued**

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**LB 397e**                      **Passed:** March 10, 1997 (42-0)                      **Effective Date:** March 14, 1997

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**Sponsors:** Kristensen, Hartnett, Landis, Schellpeper, Warner, Coordsen  
**Committee:** Revenue

**Summary:** LB 397e transfers powers and duties from the State Board of Equalization to the Tax Equalization and Review Commission (TERC). The bill does not appear to impact state or local expenditures or revenues.

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**LB 460**                      **Passed:** June 4, 1997 (45-3)                      **Effective Date:** September 13, 1997

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**Sponsors:** Robinson, Coordsen, Kristensen, Schellpeper, Schimek, Warner, Withem  
**Committee:** Government, Military and Veterans Affairs

**Summary:** LB 460 amends Nebraska law relating to initiative and referendum petitions and provides for changes in the signature verification process.

The bill provides that petitions must have sufficient space for the date of birth of the signer, and requires that the circulator must have stated to each signer the “object” of the petition as printed on the petition. The current requirement is that the circulator state to the signer the “purpose” of the petition.

The bill requires that the election commissioner or county clerk, in determining the validity and sufficiency of a petition, must compare dates of birth in addition to names and addresses. It also states that dates of birth are presumed to be valid if the election commissioner or county clerk has found the signers to be registered voters on or before the date on which the petition was signed.

Finally, the bill requires that ballot titles must be printed on the official ballot in a random order instead of in the order in which the petitions are filed with the Secretary of State.

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**LB 595e**                      **Passed:** June 3, 1997 (43-0)                      **Effective Date:** June 10, 1997

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**Sponsor:** Robinson  
**Committee:** Government, Military and Veterans Affairs

**Summary:** LB 595e contains changes to two separate areas of law. The first part of the legislation amends Nebraska law dealing with the election of board of education members in Class III school districts. The second part relates to changes in the “greenbelt law.” The bill contained the emergency clause.

**ELECTION LAW:** The bill amends section 32-543(2) to allow the members of the board of education of a Class III school district to be nominated by district or ward and elected at large. Currently the members are to be nominated and elected at large or by district or ward. The change is permissive. The bill also amends section 79-550 to allow the board of education to, by resolution, select the manner in which the members shall be nominated and elected.

**GREENBELT LAW:** LB 595e provides that when a county board adopts special valuation for qualifying property in the county pursuant to sections 77-1343 to 77-1348 (greenbelt land), the adjusted valuation used to calculate state aid to schools may not exceed 108% of the assessed valuation for the property tax year on which the adjusted valuation is based, beginning in the 1997-98 school year.

The Legislature’s Fiscal Analysis Office reports that the legislation will affect the valuations used by some counties for state aid purposes. The change may lower the adjusted valuation of property for some counties, which will decrease the yield of a school system from the local effort rate in the state aid formula. This will decrease the formula resources of a school in the formula calculation. If a school is eligible for equalization aid, then decreased resources may result in an increase in equalization aid for the school. The overall effect of the bill will be a shift in state aid between school districts, but the fiscal impact will vary by school system.

## I. Legislation Passed and Signed into Law

### B. Legislative Summaries - *continued*

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**LB 623e****Passed:** March 21, 1997 (39-0)**Effective Date:** See Supplement

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**Sponsor:** Retirement Committee**Committee:** Retirement

**Summary:** LB 623e provides for several clarifications and corrections in all five of the state-administered retirement systems in addition to the Class V School Employees' Retirement System (OPS). LB 623e brings Nebraska's statutory scheme into conformity with changes in the Internal Revenue Code (IRC) made by the Small Business Job Protection Act of 1996. Language is added or modified in all plans to create standardized verbiage for sections addressing physicians who make disability decisions and the custodian of the state plans.

#### *Limited Section-by-Section Analysis*

**SECTION 11:** (§48-1401) This statute enables counties, municipalities, political subdivisions, and state agencies to set up income deferment plans (pursuant to IRC §457). All the changes to this state statute are a result of an amendment made by the Small Business Job Protection Act of 1996. Prior to the amendment, income deferred by the employee pursuant to a "457 plan" was required to remain the property of the public employer and was subject to attachment by the employer's creditors. The 1996 change requires that all funds held by a governmental employer are "held in trust for the exclusive benefit of participants and their beneficiaries." Section 48-1401 is being amended to reflect the new requirement that all income deferred under such a plan must be held in trust, and may not be subject to garnishment, attachment, levy, the operating costs of bankruptcy or insolvency law, or any other process of law.

**SECTION 12:** (School Employees Plan - 79-902) Due to the revised definition of "public school" made by LB 900, 1996 (§537) and the re-codification of school retirement statutes also made by LB 900, this section is changed to specifically identify Class V school districts as being excepted from the definition of public school found in section 79-902(14). The section also changes the definition found in section 79-902(27) to specifically include Class V school districts.

**SECTION 14:** (School Employees Plan - 79-916) Language in this section is made consistent in the terminology referring to the two school-related retirement acts in Nebraska - i.e. School Employees Retirement Act and Class V School Employees' Retirement Act.

**SECTION 16:** (School Employees Plan - 79-921) Section 79-921 deals with repayment of withdrawn funds from the school member's account. The changes made by this section specify the methods by which the member can make repayment for the withdrawn funds: direct payment, installment payments, or irrevocable payroll deduction authorizations.

**SECTION 20:** (School Employees Plan - 79-933.05) This section clarifies that members who are presently contributing to their accounts may purchase service credits. This section also changes the term "employment or reemployment" to the term "membership or reinstatement" to create consistency in the statutes.

**SECTION 21:** (School Employees Plan - 79-933.06) As with the previous sections, this section clarifies language on contributing members and the period in which service credits may be purchased pursuant to this section.

**SECTION 24:** (School Employees Plan - 79-939) Language formerly in Section 79-916 is added here, after being stricken from 79-916, which makes the language in this section more clear with respect to which benefits may be paid for retired employees of Class V school districts who are also entitled to some benefit under the School Employees Retirement Act.

**SECTION 28:** (OPS - 79-978) This section makes changes to clarify definitions under the provisions which apply to the Class V School District Retirement System. The following clarifications are being made: in 79-978(1) an apostrophe is added to clarify the proper legal name of the retirement system presently constituted under these provisions; in 79-978(12) the definition of "military service" is modified to refer generally to 38 U.S.C. Chapter 43, rather than enumerating the specific branches of the military; and in 79-978(16) a five-year provision is added to the definition of "normal retirement age" to make the definition consistent with those provisions relating to the Class V School District Retirement System which uses the definition of "normal retirement age."

**SECTION 30:** (OPS - 79-986) Amendments made to 79-986 change who serves as the treasurer of a Class V School District Retirement System. As presently constituted, the "treasurer of the school district" is the ex officio treasurer of the retirement system. The amendment would change this to reflect that the "school district" would be the treasurer of the retirement system. Amendments also clarify the fact that banks located outside the territorial limits of the school district may hold deposits of the retirement systems funds.

**I. Legislation Passed and Signed into Law**  
**B. Legislative Summaries**

**LB 623e** - *continued*

**SECTION 32:** (OPS - 79-9,104) The addition of subsection (2) in this section allows for spouses who have been assigned an interest in members' retirement system accounts or benefits pursuant to a Qualified Domestic Relations Order to take that interest in a single lump-sum amount.

**SECTION 33:** (OPS - 79-9,113) The amendment to subsection 79-9,113(2) is meant to ensure that payment of certain buy-back provisions are treated, for tax purposes, the same as other payments made under this subsection. Specifically, a reference to section 79-992 is added to the existing references to sections 79-990 and 79-991.

**SECTION 46:** (PERB - 85-1501) The additions to this section are meant to stagger the terms of the members of the Public Employees Retirement Board (PERB) in order to create a rotating system of replacement. Beginning in 2000 and continuing until 2001, certain members of the board will serve terms of less than the full five years in order to effectuate the new rotating schedule of appointments.

LB 623e contains the emergency clause.

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**LB 624**

**Passed:** March 21, 1997 (39-0)

**Effective Date:** March 27, 1997

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**Sponsor:** Retirement Committee

**Committee:** Retirement

**Summary:** LB 624 makes certain policy changes that are not intended to have a financial impact on the retirement systems. The majority of changes in the bill rationalize and standardize the various ways in which an employee enters and exits membership in the retirement systems. Changes are also made in the way in which interest rates are determined. The question of dual-membership in more than one system is clarified for all systems.

*Limited Section-by-Section Analysis*

**SECTION 16:** (School Employees Plan - 79-902) Definitions which apply to the school employees retirement system are modified through this section as follows:

- 79-902(9) Redefines "regular interest" in conformity with the standardized definition for all retirement acts;
- 79-902(12) Removes from the definition of "school employee" certain language that previously created several categories of employees, and creates two categories for purposes of the act -- "Regular employees" and "part-time employees";
- 79-902(21) Clarifies and standardizes the definition of "service" within the act; and
- 79-902(40) Adds a definition of "termination of service."

**SECTION 19:** (School Employees Plan - 79-922) Standardizes and clarifies language with regard to termination of employment and specifically addresses the issue of rehired retirees. Such retirees will continue to receive retirement annuities and will be treated as new employees for all purposes of the act.

**SECTION 22:** (OPS - 79-979) Language is added which forecloses any new Class V schools districts from forming their own retirement system instead of remaining a part of the school employees retirement system of the State of Nebraska.

**SECTION 24:** (OPS - 79-991) Adds a new subsection that governs the purchase of service credits by members of the system with more than five years of creditable service, specifying when, how, and in what amount such creditable service may be purchased.

**SECTION 25:** (OPS - 79-992) Adds provisions on the re-employment of members of the system, including how a re-employed member may have prior credits reinstated. Also included is a new subsection (2) which deals with the re-employment of retired members. In the Class V system, re-employed retired members will be treated as new employees and may not merge their two retirement accounts created. Subsection (3) states that such a re-employed retired member will have to work at least five years to qualify for a second annuity; otherwise, the re-employed retired member will simply get a refund of his or her accumulated contributions.

**SECTION 26:** (OPS - 79-9,111) Clarifies and expands language on the permissible types of investments that can be made by the trustees of the system, specifically allowing on a limited basis some previously prohibited transactions.

**I. Legislation Passed and Signed into Law**  
**B. Legislative Summaries - *continued***

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**LB 710****Passed:** June 12, 1997 (37-7)**Effective Date:** September 13, 1997

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**Sponsor:** Bohlke**Committee:** Education

**Summary:** LB 710 began as NDE's technical clean-up bill for 1997. As amended and passed, LB 710 was used as a vehicle to amend several bills that had been passed this session, including LB 806, LB 865, etc. The following bullet analysis summarizes the contents of the legislation.

- Harmonizes LBs 865 and 118 by including programs for students with disabilities and students needing support services in the purposes allowed for lottery mini-grants for schools with annual budgets of less than \$350,000.
- Removes an unnecessary and misleading reference in the Freeholding section.
- Allows the transportation requirement changes for Class IIs and IIIs formed from Class VI systems to apply to Class IIs and IIIs formed on or after January 1, 1997.
- Applies the definition changes for "base fiscal year" and "general fund operating expenditures" from the original provisions of LB 710 to the amended definition section from LB 806.
- Applies the changes to the accountable receipts section from the original provisions of LB 710 and from the provisions of LBs 397 and 713 to the new accountable receipts section from LB 806 and removes references to nonresident high school tuition.
- Amends the definition of "low-income child" to refer to income in the second calendar year preceding the beginning of the school fiscal year for which aid is being calculated.
- Replaces the county ratio for the attributing children in poverty to systems with a ratio of formula students over total children under eighteen residing in the local system and clarifies that the data is derived from income tax information.
- Clarifies that the poverty ratios are applied to qualified students and not just students qualified for free lunches or free milk.
- Adds an extreme remoteness factor of 0.125 for systems with fewer than 200 formula students, more than 600 square miles, fewer than 0.3 formula students per square mile, and more than 25 miles between the high school attendance center and the next closest high school attendance center on paved roads. The extreme remoteness factor would have the effect of redistributing state aid within the very sparse cost grouping. Five schools, Arthur County, Sandhills, Hayes Center, Sioux County and Thedford, would receive the redistributed aid because of their extreme remoteness.
- Corrects a reference to "weighted membership" by replacing the term with "weighted formula students".
- Removes redundant criteria from the qualifications for the sparse cost group.
- Prevents student growth from being negative for the purpose of determining the cost growth factor for each cost group.
- Clarifies that the levy used for calculating the small school adjustment will be \$1 for school fiscal year 2000-01 and each year thereafter and that the levy is applied to the assessed valuation.
- Clarifies that lop-off money not distributed through the small school adjustment will be distributed as equalization aid.
- Clarifies that aid will be distributed to each district in a local system proportionally based on the weighted formula students attributed to each district.
- Revises the intent to ensure sufficient appropriations. The new intent would require an appropriation sufficient to result in a statewide levy for each year's state aid calculation that would be less than the maximum levy and the Legislative Fiscal Analyst shall calculate the amount which most accurately accounts for the growth in school district budgets.
- Harmonizes terminology in LB 865 with LB 346.

**I. Legislation Passed and Signed into Law**  
**B. Legislative Summaries - continued**

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**LB 713**                      **Passed:** March 21, 1997 (42-0)                      **Effective Date:** September 13, 1997

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**Sponsor:** Bohlke

**Committee:** Education

**Summary:** LB 713 moves the deadline for the certification of state aid up to December 1 beginning with aid to be paid in the 1998-99 school year.

The definitions of general fund operating expenditures and transportation allowance in §79-1003 are amended to reflect changes necessary to provide data for the earlier certification. For school year 1997-98 and each year thereafter, general fund operating expenditures and the transportation allowance will be calculated using data from the school year immediately preceding the most recently available complete data year, adjusted by the average annual change in each district's general fund operating expenditures or transportation allowance for the two school years immediately preceding the most recently available complete data year. For the final calculation of aid, the general fund operating expenditures and the transportation allowance will be as reported in the annual financial reports from the most recently available complete data year.

The deadline for the Property Tax Administrator to enter orders modifying adjusted valuations in §79-1016 is moved up to November 1.

Clarification is added to the provisions for other actual receipts in §79-1018 to indicate the correct data source for the earlier certification. The other actual receipts for certification will be equal to the district's other actual receipts from the school year immediately preceding the most recently available complete data year, adjusted by the average annual change in each district's other actual receipts for the two school years immediately preceding the most recently available complete data year. For the final calculation, other actual receipts will be as reported in the annual financial reports for the most recently available complete data year.

Section 79-1022 contains the current July 1 certification date. A new subsection is added to provide for the certification to be made on or before December 1. The Legislative Fiscal Analyst will be required to provide an estimated funding level by November 1. There is also a clarification providing that the certification is for the ensuing school year.

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**LB 724**                      **Passed:** June 3, 1997 (45-0)                      **Effective Date:** September 13, 1997

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**Sponsor:** Wickersham

**Committee:** Retirement

**Summary:** Under LB 724, a new provision is added to the School Employees Retirement Act which authorizes school employees and school employers to negotiate and sign an agreement, only in contemplation of retirement, for the purchase of up to five years of creditable service in the retirement system. The agreement may be signed up to twelve months prior to the employee's retirement. The agreement must specify whether the employee, the employer or both will pay for the extra years of creditable service and that the years of creditable service must be purchased at full actuarial cost to the retirement system. Provisions indicate how payment for the years of creditable service will need to be made (before retirement). There is a mechanism by which noncompliance with the agreement to retire will result in the money paid to the retirement system being refunded, and the service credit attempted to be purchased will be revoked.

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**LB 806**                      **Passed:** May 28, 1997 (36-13)                      **Effective Date:** See Supplement

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**Sponsors:** Education Committee

**Committee:** Education

**Summary:** LB 806 contains several major changes affecting school district reorganization, school finance, county superintendents, and educational service units. Beginning with the 1998-99 school year, the total allowable general fund bud-

get of expenditures will be limited for Class I districts. The freeholding provisions are expanded to allow the transfer of land out of Class II and III districts that vote to exceed the levy limits, with less than 60 students in grades 9-12, within 15 miles of another high school. The reorganization procedures are also streamlined. The Tax Equity and Educational Opportunities Support Act (LB 1059) is amended to provide aid based on K-12 systems, not individual districts. The tier structure is replaced with membership adjustment factors and cost groupings based on sparsity to determine formula needs. A new special education allowance equal to the accountable special education receipts is modeled after the transportation allowance. Districts are guaranteed 85% of the aid received in the previous year minus the amount that could be generated off of increases in adjusted valuation, except aid is reduced for districts that are 10% below the levy limit. Core services for educational service units are outlined and a mechanism is provided for funding those core services. The elective office of county superintendent is eliminated as of June 30, 2000.

### ***I. School District Organization***

**Class I Districts:** Beginning with the 1998-99 school year, NDE will designate a primary high school district for each Class I district based on the high school district with the greatest share of the Class I district's valuation.

If the primary high school district is a Class VI district, the Class Is total allowable general fund budget of expenditures minus the special education budget of expenditures shall be determined by the Class VI and shall be certified to the Class I on or before January 1 of each year.

If the primary high school district is not a Class VI, the total allowable general fund budget of expenditures minus the special education budget of expenditures shall be determined by the Department based on the per student average between the K-8 portion of the high school district's budget and the Class Is budget multiplied by the applicable allowable growth rate for the local system. The special education budget of expenditures is subtracted from each budget before averaging. The K-8 portion of the high school budget is determined using weighted formula students.

Class I boards may request to exceed the total allowable general fund budget of expenditures, minus the special education budget of expenditures. Prior to February 1, the request must be submitted to all of the high school districts the Class I district is affiliated with or of which it is a part. The request must be approved by the primary high school district and such other high school districts as are necessary to comprise at least 2/3 of the Class I valuation. High school districts must act on the request prior to March 1.

Section 77-3444 is amended to clarify that Class I school districts are not authorized to hold elections to exceed the levy limits and that those eligible to vote on exceeding the levy limits for school districts includes people living on portions of Class I districts which are affiliated with or a part of the high school district.

**Free holding:** Section 79-458 is amended to allow freeholders in a Class II or III district to transfer their property to a district contiguous to the property if the district has less than 60 students in grades 9-12 for two consecutive years, the district has voted to exceed the levy limits, and the high school is within 15 miles of another high school on a maintained public highway or maintained public road. Currently, a freeholder in a Class II or III may transfer their property to a district in the same county or an adjoining county if the district has less than 25 pupils in grades 9-12 and the high school is within 15 miles of another high school on a reasonably improved highway. With these changes, transfers of property based on a high school pupil count must also be to another district that is contiguous to the tracts of land being transferred. For purposes of determining whether land is contiguous, all petitions currently being considered will be considered as a whole.

A new section allows any landowner or group of landowners whose land is encapsulated by another school district to have such property become a part of the school district by which it is encapsulated. Such transfers shall take place on January 1 following the request.

**Reorganization Procedures:** Reorganization procedures are amended to require county committees to complete their work before petitions go to the state committee under both the election and petition methods of reorganization. Currently, the state committee returns the petition to the county committee after approval or disapproval with any recommendations. The recommendations provision is removed and the approval or disapproval is certified to the county superintendent. The county committee's authorization to consider the action of the state committee and give final approval or disapproval is deleted.

Pursuant to §79-413, county reorganization committees will be required to hold at least one public hearing within 40 days after receiving petitions for reorganizations involving over 640 acres. Requirements regarding public hearings following the return of the petitions from the state committee after the committee's final approval or disapproval in the case of affiliations are eliminated. If two or more counties are involved only the special committee under §79-441 will need to hold a public hearing, review, and approve or disapprove the proposal. Section 79-442 is also amended to reflect the requirement for public hearings prior to approval of reorganization plans. Section 79-418 is amended to reflect the

discontinuance of the county committee's responsibilities following action by the state committee.

Section 79-445 is also amended to reflect the removal of the state committee's authority to make recommendations and the county committee's authority to take further action after the state committee's review. Plans disapproved by the state committee shall not be submitted to a special election. Section 79-446 is also amended to reflect the special committee approval changes and the removal of the county committee from the procedures following state committee approval.

New procedures for county superintendents require them to hold the petitions for 10 days during which time names may be added or withdrawn from the petitions. Currently, the county committee holds the petitions. If there is a bond election to be held in conjunction with the petition, the petitions will be held until the bond election has been held. If the bond election is unsuccessful, no further action would be required. A statement regarding whether the reorganization is contingent upon a bond election is added to the petition requirements in §§79-419 and 79-443.

The hearing for the sufficiency of signatures is delayed until after the holding period or the bond election, and the boundary changes are effective within 15 days after the holding period or bond election results are certified. The deadline for a public hearing to determine the sufficiency of the signatures is moved from 15 days after the filing of the petitions to 15 days after the end of the holding period. If a bond election is successful, the deadline is 15 days after receipt of the certification of the election results. That deadline also becomes the deadline for changing the boundaries if there are sufficient valid signatures. The provisions for the addition and removal of names from petitions are modified to reflect the changes in who holds the petitions and for what period of time.

The provisions for board initiated reorganizations in §79-415 were extended to include all Class I and II boards. Currently all boards are included except boards for Class I or II districts that do not have a city/village. A new section provides that the plans for reorganization may originate in the county committee or the school board of any district affected.

The county committee authorization provisions in §79-437 are amended to require each county committee to appoint 3 members to be on any special committees before September 15 of each year. Section 79-441 is amended to reflect the changes in who can initiate a reorganization plan and the appointment of special committees. The considerations listed in the section will apply not only to the preparation of the plan, but also to the review. The amendments also clarifies that only the special committee approval is required, with no approval requirement for the county committees when more than one county is involved. Section 79-444 is also amended to reflect the removal of approval authority for county committees where special committees are involved and the removal of authority for the state committee to make suggestions.

The quorum requirements for county committees in §79-438 are modified to define a quorum as those present, rather than a majority of the members. The actions of a quorum shall be valid and binding.

Outdated language requiring the county committee to submit a plan of reorganization is deleted from §79-440. Responsibility for the notice requirement in that section is moved from the county superintendent to the county committee or the board proposing the plan.

Class VI Systems: Section 79-403 is amended to allow the creation of new Class I districts as part of a reorganization creating a new Class VI system. When a Class VI system merges to form a K-12 on or after January 1, 1997, the district may, but is not required to authorize transportation to students pursuant to changes in section 79-611.

## ***II. School Finance***

Intent Language: The intent language in §79-1002 for 45% state funding for the general fund operating expenditures is modified to state an intent of providing state funding sufficient to support general fund operating expenditures which cannot be met by local resources. This change is reflected in amendments to the Governor's duties pursuant to §79-1031.

A new section declares to require an appropriation sufficient to result in a statewide levy for each year's state aid calculation that would be less than the maximum levy. The Legislative Fiscal Analyst will calculate the amount which most accurately accounts for the growth in school district budgets.

Local Systems: The definitions for adjusted valuation, average daily membership, and fall membership in §79-1003 are amended to refer to local systems, instead of individual districts. A definition for local systems is added. Local systems are defined as Class VI districts and the associated Class I districts or a Class II, III, IV, or V district and any affiliated Class I districts or portions of Class I districts. The membership, expenditures, and resources of Class I districts that are affiliated with multiple high school districts will be attributed to local systems based on the percent of the Class I valuation that is affiliated with each high school district. Section 77-27,119 is amended to change the district designation on tax forms to indicate the resident high school district. High school district is defined as a school district providing instruction in at least grades 9-12.

Formula Needs: Section 79-1007 is the existing provision for the calculation of tiered costs, which is limited to the 1996-

97 and 1997-98 aid years. The new method for calculating needs includes the calculation of adjusted formula membership and the use of cost groupings. The adjusted formula membership for each local system will be calculated as follows:

1. Multiply the formula students in each grade range by the corresponding weighting factors to calculate the weighted formula students for each grade range as follows:
  - 0.5 is the weighting factor for kindergarten;
  - 1.0 is the weighting factor for grades 1-6, including full day kindergarten;
  - 1.2 is the weighting factor for grades 7-8; and
  - 1.4 is the weighting factor for grades 9-12.
2. Add the weighted formula students for each grade to calculate the weighted formula students for the local system.
3. Adjust the weighted formula students based on the following criteria:

**Indian-Land Factor:** The Indian-Land Factor is equal to 0.25 times the average daily attendance of students who reside on Indian land as reported to the U.S. Department of Education.

**Limited English Proficiency Factor:** The Limited English Proficiency Factor is equal to 0.25 times the formula students with limited English proficiency as defined by the U.S. Department of Education.

**Extreme Remoteness Factor:** The Extreme Remoteness Factor is equal to 0.125 times the formula students in systems with fewer than 200 formula students, more than 600 square miles, fewer than 0.3 formula students per square mile, and more than 25 miles between the high school attendance center and the next closest high school attendance center on paved roads. (*See LB 710*)

**Poverty Factor:** The number of formula students included in the poverty factor will be the greater of the low-income children attributed to the local system or the formula students qualified for free lunches or free milk. Low income child is defined in §79-1003 as a child under 19 living in a household having an adjusted gross income of \$ 15,000 or less. The Poverty Factor is equal to the qualified formula students multiplied by the following factors:

- (i) 0 for the qualified formula students comprising the first 5% of the formula students in the local system;
- (ii) 0.05 for the qualified formula students comprising more than 5% but less than 10% of the formula students in the local system;
- (iii) 0.10 for the qualified formula students comprising more than 10% but less than 15% of the formula students in the local system;
- (iv) 0.15 for the qualified formula students comprising more than 15% but less than 20% of the formula students in the local system;
- (v) 0.20 for the qualified formula students comprising more than 20% but less than 25% of the formula students in the local system;
- (vi) 0.25 for the qualified formula students comprising more than 25% but less than 30% of the formula students in the local system; and
- (vii) 0.30 for the qualified formula students comprising more than 30% of the formula students in the local system;

The Department shall divide the local systems into three cost groupings based upon the following criteria:

**Very Sparse** <0.5 students per square mile in the county where the high school is located;  
<1.0 formula students per square mile in the local system; and  
> 15 miles between the high school and the next closest high school on paved roads.

**Sparse** <2.0 students per square mile in the county where the high school is located;  
<1.0 formula student per square mile in the local system; and  
> 10 miles between the high school and the next closest high school on paved roads; or  
< 1.5 students per square mile in the local system; and  
> 15 miles between the high school and the next closest high school on paved roads; or  
> 95% of a county is in the local system.

**Standard:** Local systems that do not qualify as very sparse or sparse. The department will calculate the average formula cost per student in each cost grouping by dividing the total estimated adjusted general fund operating expenditures for all local systems in the cost grouping by the total adjusted formula membership for all local systems in the cost grouping. The total estimated adjusted general fund operating expenditures for all local systems in the cost grouping is equal

to the total adjusted general fund operating expenditures for all local systems in the cost grouping multiplied by a cost growth factor. The cost growth factor is the sum of:

- a. 1;
- b.  $2 * (\text{formula students} - \text{ADM for most recently complete data year}) \text{ ADM for most recently complete data year}$ ;
- c. Allowable growth rate for year of distribution;
- d. Allowable growth rate for preceding year;
- e.  $0.5 * \text{any additional growth rate allowed by special action of the school board for year of distribution}$ ; and
- f.  $0.5 * \text{any additional growth rate allowed by special action of the school -board for preceding year}$ .

Each local system's formula need will be equal to the sum of the local system's transportation allowance, special education allowance, and the product of the local system's adjusted formula membership multiplied by the average formula cost per student in the local system's cost grouping. The special education allowance is defined as the amount of special education receipts included in local system formula resources. The special education and transportation allowances are subtracted from the general fund operating expenditures before the cost grouping calculations.

**Stabilization Adjustment:** Generally, each local system shall receive equalization aid in the amount that the total formula need exceeds total formula resources. However, a local system shall not receive state aid which is less than 85% of the amount of aid certified in the preceding school fiscal year minus the amount that the maximum levy could generate off of any increase in adjusted valuation, unless the system has a levy in the calendar year when aid is certified that is less than 90% of the maximum levy.

**Minimum Levy Adjustment:** A minimum levy adjustment will be made for any district that has a levy that is less than 90% of the maximum levy in the calendar year when aid is certified. The adjustment is calculated by subtracting the system levy from 90% of the maximum levy and multiplying the result by the adjusted valuation divided by 100. The adjustment will be added to the formula resources. If the adjustment is greater than the rebate, the system will not receive rebate. If the adjustment is less than the rebate, the system will receive the difference between the rebate and the adjustment in rebate funds.

**Lop-Off and Small School Adjustment:** Equalized local systems will not receive more revenue from the combination of state aid and property taxes based on a \$1.00 levy (\$0.90 beginning in 2000-01) than can be spent without exceeding the budget lids. A maximum amount of revenue from property taxes and state aid will be determined for each equalized local system. The maximum amount will limit the amount of equalization aid that a local system will receive such that the total aid when added to a \$ 1 levy (90 cents beginning in 2000-01) on the adjusted value may not exceed the sum of:

- a. State aid plus property tax receipts from the preceding school year increased by:
  - i. 1% for the optional growth rate;
  - ii. The applicable growth rate; and
  - iii. The percentage growth in formula students;
- b. Unused budget authority; and
- c. Decreases in other actual receipts.

The aid that is not distributed based on this limitation will be distributed to local systems with:

- a. 900 or fewer students;
- b. Adjusted general fund expenditures per student that are less than the average for local systems with 900 students or fewer; and
- c. Losses greater than 10% based on state aid and property tax receipts.

The distribution shall be proportional to qualifying districts based on the dollar amount each local system's calculated state aid plus property tax receipts based on \$ 1.10 (\$1.00 beginning in 2000-01) and the adjusted valuation would be below 90% of the previous year's state aid plus property tax receipts based on the common levy and the assessed valuation for that year. Funding through this mechanism is limited to raising local systems to the 90% level.

**Equalization Aid:** Section 79-1022 provides dates and notification requirements for the estimation and certification of aid. A new section provides for the same dates and notification requirements, except that it applies to local systems, instead of individual districts, and reflects other changes proposed in this bill. The amount of aid to be distributed to each district from the amount certified for a local system shall be proportional based on the weighted formula membership attributed to each district in the local system. The changes also reflect the passage of a December 1 certification date

adopted earlier this session.

Rebate: Section 79-1005 is the section that provides for the income tax rebate and its application is limited to the 1996-97 and 1997-98 school years. The new section repeats the language in §79-1005 for 1998-99 and each school year thereafter, except that the provisions apply to local systems, not individual districts. The distinction for districts where less than 10 resident individual income tax returns were filed is removed. The 1996 income tax liability of resident individuals of Class I districts that are affiliated with multiple high school districts will be divided between local systems based on the percentage of the Class I district's valuation affiliated with each high school district. For income taxes after 1996, the high school district will be indicated on the income tax form.

Section 77-27,119 requires tax forms to have a place where the taxpayer designates the school district where they live and the county in which the district is located. That provision is currently interpreted as referring to the Class I district for residents that live in Class I districts. This proposal modifies that provision by requiring the designation of the high school district where they live and the county where the high school district is headquartered.

Net Option Funding: The net option funding provisions in §79-1009 are modified to reflect the move from tiers to cost groupings. The amount per student will be the lesser of the average cost grouping cost per student or the option school district's cost grouping cost per student multiplied by the weighting factor for the corresponding grade range.

Local Effort Rate, Adjusted Valuation, and Other Resources: Section 79-1015 provide for the local effort rate calculation and its application is limited to the 1996-97 and 1997-98 school years. The new section repeats the existing local effort language except that it applies to local systems, instead of individual districts. The local effort rate is also prohibited from going more than 10 cents below the maximum levy. The certification of adjusted valuation pursuant to §79-1016 will also be for local systems, instead of individual districts. Section 79-1018 includes other actual receipts in the formula resources and its application is limited to the 1996-97 and 1997-98 school years. Another new section repeats the language from section 79-1018 except that it applies to local systems, instead of individual districts.

Aid Distribution: Aid will be distributed to each district in a local system proportionally based on the weighted formula students attributed to each district.

### ***III. Educational Service Units***

Boundaries: The statutory ESU boundaries will remain in effect until July 1, 1998. Clarification is also added to exclude the Omaha and Lincoln school districts from the ESUs containing Douglas and Lancaster counties. The amendments correct a reference to the number of ESUs and provide for numbering new ESUs.

Core Services: Section 79-1204 declares the role and mission for ESUs. This section was amended to make the existing language more directive and to add requirements and definitions. Core services are added as a required service to member districts. Core services are within the areas of staff development, technology, and instructional materials in that order of priority. The core services shall improve teaching and learning by enhancing school improvement efforts, meet statewide requirements, and achieve statewide goals. The services must be identified as necessary by the ESU and its member districts, must be difficult for individual districts to provide effectively and efficiently, must be adequately funded to ensure the services is provided equitably, must be designed so that the effectiveness and efficiency can be evaluated on a statewide basis, and must minimize the cost of administration or service delivery. A requirement for adequate educational opportunities statewide is added to the equity requirements in the accreditation provisions. ESUs would be allowed to contract to provide services to nonmember districts, nonpublic schools, other ESUs, and political subdivisions under the Interlocal Cooperation Act. The prohibition against regulating school districts is modified to reflect that other sections of law may provide otherwise.

Reorganization of ESUs: Section 79-1209 is amended to add new ways that an ESU may be reorganized. The dissolution of one or more entire educational service units for attachment to or merger with other ESUs would be allowed. Section 79-1210 is amended to add a new criteria for State Board approval of boundary changes. For the dissolution of one or more ESUs, there must be evidence of consent from each ESU board and 2/3 of the member school boards, representing a majority of students in each affected ESU.

Funding: By October 15, 1997, the Department of Education shall report to the Legislature an estimate of costs for ESUs to provide core services in the following order of funding priority: (1) staff development; (2) technology; and (3) instructional materials services. The Appropriations Committee shall determine an appropriation level; and it is the intent of the Legislature to appropriate funds to the Department to fund core services.

The funding will be distributed proportionally to each ESU by the Department on or before August 1, for each fiscal year based on the fall membership in member district in the preceding school fiscal year. Funds may be distributed directly to districts by the ESU if evidence is provided showing that the district will provide core services for itself in a cost-efficient manner. If all member school districts together provide evidence satisfactory to the Department that the districts will provide core services for themselves in a more cost-efficient manner than the ESU, the Department shall distribute funds directly to the districts. The funds shall be used for core services with the approval of representatives of two-thirds of the member school districts, representing a majority of the students.

A new section requires levy proceeds to be used only for purposes approved by representatives of two-thirds of the member school districts, representing a majority of the students.

#### ***IV. County Superintendents***

Section 32-527 is amended to limit the election of county superintendents to 1998 and to end the elective office of county superintendent on June 30, 2000. A new section also directly ends the elected office as of June 30, 2000.

By December 1, 1997, NDE must make recommendations to the Legislature on which duties should be eliminated or retained and who should be assigned the retained duties. The Education Committee is required to prepare legislation to carry out this intent.

Section 23-3302 is amended to allow counties to discontinue the office of county superintendent and contract under existing provisions until June 30, 2000. However, the contracts are limited to one year. Individuals who meet the qualifications of a county superintendent are also added to the list of potential contractors. On and after June 30, 2000, the counties may continue to contract on an annual basis.

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<b>LB 806A</b>	<b>Passed:</b> May 28, 1997 (41-6)	<b>Effective Date:</b> September 13, 1997
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**Sponsor:** Bohlke

**Summary:** LB 806A appropriates an additional \$110 million for state aid to schools for FY1998-99.

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<b>LB 809</b>	<b>Passed:</b> March 21, 1997 (39-0)	<b>Effective Date:</b> September 13, 1997
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**Sponsor:** Landis, Brashear

**Committee:** Education

**Summary:** The purpose of LB 809 is to assist private elementary and secondary schools in financing the acquisition of facilities and refunding indebtedness.

The bill creates an entity to be known as the Nebraska Elementary and Secondary School Finance Authority for the purpose of assisting private, educational institutions in constructing, financing, and refunding projects. This bill permits the Authority to finance and refinance property used or useful in connection with elementary and secondary schools, including the real estate upon which a project will be located. Property used, or primarily used, for sectarian instruction or study or as a place for devotional activities or religious worship is not included.

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<b>LB 835</b>	<b>Passed:</b> June 4, 1997 (34-2)	<b>Effective Date:</b> September 13, 1997
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**Sponsor:** Hillman, Brashear, Crosby, D. Pederson, Tyson, Wickersham

**Committee:** Education

**Summary:** LB 835 provides for the establishment of a Seamless Delivery System Pilot Project to develop a delivery system for educational continuity between secondary education, postsecondary education and business. The bill indicates the pilot project is to be developed through the combined efforts of Western Nebraska Community College and Scottsbluff Public Schools to create a fully replicable, implementable, validated and seamless delivery system that will enhance edu-

cation for students to better prepare them for immediate employment and for postsecondary education.

The pilot project is to initiate an instructional program between community colleges and public high schools under which students would enter a competency- and industry-based instructional program at the high school level. The curriculum is to incorporate work-based learning components by integrating federal School-to-Work and Tech Prep initiatives as well as multimedia technologies such that qualified students can immediately enter the work force upon graduation or can pursue postsecondary education for additional skills training or to complete postsecondary degrees.

The pilot project is to be designed to establish: (a) A multimedia development center at the high school, as well as expansion of the community college's current operations; (b) a distance learning system station at the high school with full connection between the community college and high school; (c) an ED\*NET cable channel delivery system from the community college and public high school for 24-hour instructional delivery; (d) video conferencing computer classroom; and (e) acquisition of additional instructional equipment components to enhance program effectiveness.

The bill provides that the pilot project is to be initiated with the 1997-98 school year and is to continue for four years with review and evaluation of the project to be performed by NDE and the Coordinating Commission for Postsecondary Education. The bill indicates one-time first year start-up costs for the project are intended to be supported 25% from community college funds, 25% from public high school funds, up to \$250,000 from state funds, and the balance with federal grant funds. Costs for the remainder of the term of the pilot project are apparently intended to be borne by the participating public high school and community college area, presumably along with any federal funds which might be available.

## I. Legislation Passed and Signed into Law

### B. Legislative Summaries

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#### **LB 851**

**Passed:** June 4, 1997 (48-0)

**Effective Date:** September 13, 1997

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**Sponsors:** Crosby, Dw. Pedersen

**Committee:** Health and Human Services

**Summary:** LB 851 contains provisions to change the name and membership of the Commission for the Hearing Impaired and provisions concerning the employment of qualified educational interpreters.

#### *Section-by-Section Analysis*

**SECTION 1:** Changes references of the "hearing-impaired" to the "deaf and hard of hearing". Provides intent language to assure that "qualified educational interpreters" are provided to deaf and hard of hearing children in K-12 public school districts and ESUs. The legislation provides the following timeline:

- Prior to September 1, 1998, NDE, in cooperation with the Commission for the Deaf and Hard of Hearing, must develop qualified educational interpreter guidelines for distribution as well as a training program to implement the guidelines;
- By September 1, 2000, the State Department of Education shall adopt and promulgate rules and regulations to implement the guidelines and requirements for qualified educational interpreters; and
- The new rules and regulations will apply to all qualified educational interpreters employed for the 2001-02 school year and all school years thereafter.

**SECTION 2.** Sets forth new or revised definitions concerning the deaf and hard of hearing:

- "Auxiliary aid" includes, but is not limited to, qualified sign language interpreters, oral interpreters, other interpreters, notetakers, transcription services, written materials, assistive listening devices, assisted listening systems, videotext displays, and other visual delivery systems;
- "Deaf or hard of hearing person" means a person whose hearing impairment, with or without amplification, is so severe that he or she may have difficulty in auditorily processing spoken language without the use of an interpreter or a person with a fluctuating or permanent hearing loss which may adversely affect the ability to understand spoken language without the use of an interpreter or an auxiliary aid;
- "Qualified interpreter" revised to mean a person who demonstrates proficiencies in interpretation or transliteration and is able to interpret effectively, accurately, and impartially, both receptively and expressively, using any necessary spe-

cialized vocabulary; and

- “Tactile interpreter” means a person who interprets for a deaf-blind person. The degree of deafness and blindness will determine the mode of communication to be used for each person.

**SECTION 12:** Changes the name of the “Commission for the Hearing Impaired” to the “Commission for the Deaf and Hard of Hearing”. The commission members will include three deaf persons, three hard of hearing persons, and three persons who have an interest in and knowledge of deafness and hearing loss issues.

A majority of the commission members who are deaf or hard of hearing must be able to express themselves through sign language.

**SECTION 13:** Creates new section of definitions, including:

- “Commission” means Commission for the Deaf and Hard of Hearing;
- “Deaf” means a hearing impairment, with or without amplification, which is so severe that the person with the impairment may have difficulty in auditorily processing spoken language without the use of an interpreter; and
- “Hard of hearing” means a hearing loss, permanent or fluctuating, which may adversely affect the ability to understand spoken language without the use of an interpreter or auxiliary aid.

**SECTION 14:** Provides that members of the commission will serve for terms of three years and may not serve more than two consecutive three-year terms. A former member who has served two consecutive terms may be reappointed to the commission after at least one year of nonservice. The terms of the members shall expire on January 31 of the final year of their appointed term.

## I. Legislation Passed and Signed into Law

### B. Legislative Summaries - *continued*

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**LB 865**

**Passed:** June 4, 1997 (48-0)

**Effective Date:** September 13, 1997

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**Sponsors:** Bohlke, Beutler, Bromm, McKenzie, Stuhr, Suttle, Warner, Wickersham, Brashear, Engel, Hartnett, Hillman, Maurstad, Robinson, Schimek

**Committee:** Education

**Summary:** LB 865 changes provisions related to special education.

#### *Limited Section-by-Section Analysis*

**SECTIONS 1 AND 2:** Provides that programs for students with disabilities who receive special education services or support services with an emphasis on prevention and collaborative planning and improved student outcomes are eligible for grants funds from the Excellence in Education Fund (lottery). Any receipts for these projects are excluded as a formula resource for state aid purposes. Any costs associated with revising a rule to establish the new grant category can be handled with existing resources of the State Department of Education (NDE).

**SECTION 7:** Requires NDE to adopt guidelines prior to August 1, 1998 to assist schools, ESUs and cooperatives with the assessment, identification, and verification of the need for related services. It is assumed NDE can handle the development of guidelines with its existing financial resources. Any changes in verification criteria which are suggested in the guidelines may result in a decrease in expenditures for school districts and the state. Savings may occur because some students will not have to go through the costly verification process for special education services and may be able to be served by less expensive alternative services.

**SECTIONS 5, 8, 9 AND 10:** Establishes a new category of services which is eligible for reimbursement as a special education allowable reimbursable cost beginning with services provided in 1997-98. The bill provides that support services as defined in the bill will be reimbursable. The total reimbursable cost for support services are not to exceed a percentage established by the State Board of Education of the school district’s or cooperative’s total allowable reimbursable cost for all special education programs and support services. These provisions allowing support services as an allowable reimbursable cost will have a fiscal impact for school districts. Since the overall appropriation for special education reimbursement will not increase due to the cap on special education funding, there is a definite incentive for schools to provide support services. The support services provided in 1997-98 will be reimbursed in 1998-99. School districts that offer support services will have an increased amount of reimbursement from the state for these services. The actual fiscal impact for a school will depend upon whether these services had been offered with other funds in prior years and if

the offering of preventative services will keep students out of higher cost special education programs.

**SECTION 12:** Establishes a Transition Commission consisting of nine members who will create a cooperative interagency service model to provide transitional and vocational services for persons with disabilities ages 14 through 21 and beyond. The plan is to be submitted on or before December 1, 1998.

**SECTION 13:** Requires NDE to establish a registry for assistive technology devices. NDE currently has a ten-year grant for assistive technology which is in its eighth year of funding. The grant has allowed for a used equipment referral service for these devices in the state, but this is not a full-blown registry for assistive devices.

**SECTION 14:** Extends the 3% cap on special education funding and the current special education reimbursement programs for another year, 1998-99. Current statute eliminates the funding formulas for school-age and preschool programs and transportation beginning in 1998-99. The extension of the 3% cap in 1998-99 may have a fiscal impact, if the new funding mechanisms for special education would have increased annual spending by greater than 3%. The 3% increase for 1998-99 is contained in the budget bill. This section also delays the elimination of the current cost reimbursement system to August 31, 1999. This provision would allow the Legislature to pass legislation in 1998 for a replacement funding system to be implemented in 1999.

## II. Carry-over Legislation

[The following is a list of legislative bills and resolutions that will carry-over to the next legislative session in 1998. These measures were either advanced from committee without final disposition or the committee took no action on the measure. In some cases the contents of a measure may have been amended into another piece of legislation which was passed and signed.]

Category	Bill	Chief Sponsor	Brief Description [committee]	Current Status
<b>Discipline (Student); and Youth Violence</b>	LB 291	Witek	Defines “gang” and “gang activity” and provides criminal penalties [Judiciary]	no action
	LB 438	Brown	Allows revocation of driver’s license for truant behavior [Judiciary]	no action
	LB 439	Lynch	Defines “criminal street gang” and provides criminal penalties [Judiciary]	no action
	LB 648	Kiel	Increases penalty for assault on school employees; require driver’s license suspension for expelled students [Judiciary] <i>Kiel Priority</i>	General File
	LB 838	Suttle	Provide that injury to any person (not just school employees) is grounds for school disciplinary action [Education]	no action
<b>Driver Permits, Traffic Safety</b>	LB 320	Bohlke	Establishes a graduated driver’s licensing system; increase age to obtain a license from 16 to 17 [Transportation] <i>Speaker Priority</i>	General File
<b>Early Childhood (Enrollment)</b>	LB 50	Schimek	Allows a district to adopt assessment procedures to allow a child to enter kindergarten who has reached age 5 by Feb. 1 [Education]	no action
<b>Educational Service Units</b>	LB 419	Hartnett	Provide for reorganization of ESUs; provide for “core services” [Education] <i>Stuhr Priority</i> <i>(Note: provisions of LB 419 were incorporated into LB 806 which was passed/signed.)</i>	General File
<b>Employment Issues</b>	LB 124	Lynch	Require nonmember employees to pay “fair share” for collective bargaining [Business and Labor] <i>Speaker Priority</i>	General File
	LB 400	Bohlke	Exclude job application materials from public record requirements [Government]	General File
	LB 578	McKenzie	Permit hearing officers for school employees in Class I, II, III and VI districts [Education] <i>Speaker Priority</i>	General File

## II. Carry-over Legislation - *continued*

Category	Bill	Chief Sponsor	Brief Description [committee]	Current Status
<b>Employment Issues</b> <i>(continued)</i>	LB 791	Bromm	Change the termination notification date from April 15 to June 15 [Education]	no action
	LB 793	Bromm	Require health insurance carriers to file plan information; require districts to bid for insurance coverage [Education]	no action
<b>Initiative and Referendum</b>	LB 574	Cudaback	Adopt the County Initiative and Referendum Act [Government]	General File
	LR 7CA	Schimek	Allow a “bonus signature” for each signature gathered by volunteer/unpaid circulators [Government] <i>Schimek Priority</i>	Select File
	LR 38CA	Kristensen	Provide that signatures must be gathered in at least 3% per county in a majority of the counties in the state [Government]	General File
	LR 41CA	Robinson	Require petition measures to contain one subject [Government]	no action
	LR 55CA	Withem	Eliminate obsolete language concerning initiative and referendum [Government]	General File
<b>Legislature (structure)</b>	LR 5CA	Stuhr	Provide regular sessions of the Legislature be held for 80 and 60 legislative days on an alternating basis [Government] (LR 5CA failed to advance to Final Reading.)	Select File
	LR 60CA	Kristensen	Provide for recall of members of the Legislature [Government]	no action
<b>Lottery Funds</b>	LB 525	Withem	Allows major competitive grants to include salary stipends for teachers and administrators when the stipends are used for staff development [Education] <i>Speaker Priority</i>	General File
<b>Miscellaneous</b>	LB 132	Bohlke	Require the Health Department to provide information relating to parental notification and judicial waiver [Education]	Select File
	LB 539	Beutler	Adopt the Student Freedom of Expression Act; permits students to express freely in newspapers, yearbooks, etc. [Education]	General File
	LB 579	McKenzie	Changes state law with regard to lead-base painted facilities including child-occupied facilities such as pre-schools and kindergarten classrooms with children under age six years [Natural Resources] <i>Speaker Priority</i>	Select File

## II. Carry-over Legislation - *continued*

Category	Bill	Chief Sponsor	Brief Description [committee]	Current Status
<b>Miscellaneous</b> <i>(continued)</i>	LB 629	Crosby	Changes definition of Class IV district to account for the growing population of the City of Lincoln [Education]	General File
	LB 711	Bohlke	One of NDE's technical clean-up bills for 1997; contains no substantive changes to education law [Education] <i>Committee Priority</i>	General File
	LB 712	Bohlke	Require statewide testing for grades 3, 7, 10; NDE pays full cost of the program [Education]	General File
	LB 776	Jensen	Provides guidelines for political subdivisions wishing to pursue an "energy financing contract" [Government]	General File
	LR 2CA	Coordsen	Provide that, if the Legislature requires any new program or service by a political subdivision, the Legislature must appropriate the funds to cover the cost [Appropriations]	no action
	LR 6CA	Robinson	Provide that the Legislature prescribe qualifications for members of the State Board of Education such as prohibiting a member of the State Board to also be a member of a local school board [Education]	General File
<b>Retirement</b>	LB 497	Will	Amends OPS Retirement System; increases annuity factor to 1.85%; provides a COLA [Retirement] <i>Speaker Priority</i>	General File
	LB 532	Robak	Provide a supplemental retirement benefit for retirees of the School Employees Retirement Systems [Retirement]	no action
	LB 822	Robinson	Lowers the minimum retirement age to 55 for the School Employees Retirement System; creates a modified rule of 85 [Retirement]	no action
	LB 840	Crosby	Allow non-certified school employees who previously filed an affidavit with a school board not to become a member of the School Employees Retirement System and who subsequently have become members to buy back up to 10 years of service [Retirement]	no action
<b>Revenue Issues</b>	LB 84	Schellpeper	Provide the manner of taxing replacement tangible personal property [Revenue]	General File
	LB 181	Wickersham	Allow local governments to levy in lieu of taxes for services on exempt property [Revenue]	no action

## II. Carry-over Legislation - *continued*

Category	Bill	Chief Sponsor	Brief Description [committee]	Current Status
<b>Revenue Issues</b> <i>(continued)</i>	LB 198	Warner	Provides unspecified increases in the state income and sales tax rates [Revenue]	no action
	LB 276	Landis	Establish a refundable state earned income tax credit (EITC) [Revenue]	no action
	LB 306	Warner	Establish the Government Efficiency Commission to authorized political subdivisions to undertake capital construction projects [Revenue] <i>Schellpeper Priority</i>	General File
	LB 804	Janssen	Create committee to analyze the impact of permitting districts to locally implement a local income tax to finance operating expenses [Revenue] <i>Speaker Priority</i>	General File
<b>School Finance</b>	LB 93	Robak	Provides for calculation of an income factor for each school district [Education]	no action
	LB 209	Wickersham	Change provisions relating to other receipts with regard to private foundations [Education]	no action
	LB 349	Bohlke	Appropriate funds to state aid to public school districts [Appropriations]	no action
	LB 714	Bohlke	Changes calculation of state aid when districts have the opportunity to raise revenue from local sales or income taxes [Education]	General File
<b>Special Education</b>	LB 341	Crosby	Adopt the Commission for the Blind and Visually Impaired Act [Health]	General File
	LB 810	Crosby	Require districts/ESUs to employ licensed educational interpreters [Health]	General File
	LB 889	Appropriations Committee	Provides intent language for consolidation of the Nebraska School for the Deaf and the Nebraska School for the Visually Handicapped at the Nebraska School for the Visually Handicapped [Education]	no action

### III. List of Interim Studies

#### **LR 137**

*Introduced by Suttle, Bohlke*

*PURPOSE:* Several factors affect the student dropout rate in Nebraska. The purpose of this study is to investigate: the dropout rate in Nebraska schools; the factors which influence that rate; means which may be utilized to lower the dropout rate in Nebraska schools; appropriate responses to students who are at risk of dropping out; and appropriate alternatives for students who have dropped out. This study shall include: An evaluation of current programs intended to lower the dropout rate; an investigation of new alternatives to help students at risk of dropping out; an evaluation of the current law requiring alternative schools, classes, and educational programs; and a determination of how at-risk students should be counted in the state aid to schools' formula.

#### **LR 140**

*Introduced by Jensen*

*PURPOSE:* Statutory bidding requirements for purchases by public bodies vary widely, sometimes within the same political subdivision. To facilitate merger, cooperation, and consolidation of governments, a coherent approach to bidding should be developed. The purpose of this resolution is to study bidding requirements for purchases by the state, local governments, and other political subdivisions. The study shall include, but not be limited to, a review of current statutory provisions and administrative procedures regarding bidding and purchasing for cities, counties, schools, sanitary and improvement districts, educational service units, public power districts, colleges, and other political subdivisions and government entities, specifically to examine the following: (1) Current dollar levels for informal and competitive bidding requirements; (2) current notice and publication requirements for public lettings; (3) compliance with existing bidding statutes; (4) feasibility of consolidating bidding procedures in statute; (5) incentives to encourage cooperative or group purchasing; and (6) other relevant issues relating to the public bidding process in the State of Nebraska.

#### **LR 141**

*Introduced by Abboud, Dierks, Hilgert, Schrock, Preister, Schimek*

*PURPOSE:* In 1993, the Legislature enacted LB 757 to reform practices and procedures under the Nebraska Workers' Compensation Act. The ultimate goal of this reform was to control or reduce the workers' compensation insurance premiums being paid by Nebraska employers. Section 40 of LB 757 requires the Governor, on January 1, 1997, to direct the Commissioner of Labor and the Director of Insurance to perform a cost-benefit analysis and a review of the effectiveness of the legislative changes. They are to submit a report of their findings to the chairperson of the Business and Labor Committee, the Clerk of the Legislature, and the Governor by October 1, 1997. The Business and Labor Committee will hold a hearing after receiving the report to receive public input and report to the Legislature.

#### **LR 142**

*Introduced by Suttle, Witek, Jensen, Wesely, C. Peterson, Matzke, Dierks, Brashear*

*PURPOSE:* The purpose of this resolution is to study the entire juvenile justice system in Nebraska, including, but not limited to, jurisdiction of the system, initial entrance, the adjudication process, and placements, examining every point in and every program and agency involved in the process.

#### **LR 144**

*Introduced by Revenue Committee*

*PURPOSE:* (1) Reducing the reliance local governments have on the property tax must include some discussion of the potential of alternative locally-generated revenue as part of the solution. Expansion of the property tax base or granting local governments other tax bases means that many questions and issues must be resolved. It is important to gather information and public input before making any decisions to expand the property tax base or grant other local tax bases. It is important that a legislative committee study this issue over the interim.

### III. List of Interim Studies - *continued*

#### LR 144 - *continued*

(2) The committee shall analyze the impact of permitting school districts to locally implement and authorize a local income tax to finance a portion of the operating expenses of the school district. The committee shall study the impact of permitting school districts to enact a countywide local option sales tax, the proceeds of which will be distributed to schools on a per student basis or in some other manner. Specifically the committee should make recommendations on: (a) Whether or not receipts from a local option income tax or local option sales tax for school purposes should be treated as accountable receipts for a school district; (b) If there should be a maximum percentage of the school district budget which may be funded by a local option income tax or local option sales tax for school purposes, and if so, what the limit should be; and (c) If there should be a limit on the length of time a local option income tax or local option sales tax for school purposes can be imposed without another vote of the registered voters of the school district extending the tax, and if so, how long the limit should be.

(3) For purposes of its consideration of the issues and to aid in the developing its recommendations, the committee shall assume that a school district may authorize a local option income tax or local option sales tax to fund a portion of the operation of the school district, that the tax may only be imposed after approval by a majority of those voting in a general or special election, and that the tax may only be implemented to provide for a reduction in property tax receipts utilized by the school district.

(4) The committee shall also analyze the impact of a county income tax for purposes of property tax relief. Specifically the committee should make recommendations on: (a) Whether it is practical to credit county income taxes paid against property taxes due; (b) Whether any county income tax should be limited in amount or duration and, if so, how; and (c) Whether a county income tax with a credit against property taxes will provide sufficient revenue to provide public services in areas which currently have above-average property taxes.

(5) The committee shall also study the possible impact of restricting the availability of property tax exemptions both for government property and property for religious, educational, cemetery, and charitable use. Specifically, the committee should make recommendations on: (a) The possibility of levying ad valorem taxes on the value of a leasehold interest in public property by a commercial enterprise as if it were owned in fee; (b) The possibility of requiring or allowing local governments to require in lieu of tax payments on governments owning tax-exempt property to recover the costs of other local governments in providing property-related services such as law enforcement, fire protection, and street construction and maintenance; (c) The possibility of narrowing the eligibility for property tax exemptions for religious, educational, cemetery, or charitable use such as by requiring a certain level of charitable donation of goods or services to individuals worthy of charity. The committee should determine where the proper balance lies between the value of the services provided by the entities with tax exempt property and the cost of such exemptions to the public at large; and (d) The possibility of requiring or allowing local governments to require in lieu of tax payments by entities with property tax exemptions to recover the costs of providing property related services such as law enforcement, fire protection, and street construction and maintenance. The committee shall measure the impact of such in lieu of tax payments on the various tax exempt entities versus the public cost of the exemption.

#### LR 146

*Introduced by Nebraska Retirement Systems Committee*

*PURPOSE:* The adequacy, accuracy, and timeliness of retirement benefits in the public retirement systems administered by the Public Employees Retirement Board are grounded on the records kept by public entities as to length of service, salary, and ending dates of employment and the means whereby this information is conveyed to the Public Employees Retirement Board. Certain questions have arisen as to the correct application of the statutes relating to retirement benefits, the basis for which rest partially in the actions and records of the employing public entities and partially in the administering agency and the interaction of the aforementioned entities. The Legislature has not heretofore examined the means by which the accuracy of the information relayed by public entities to the Public Employees Retirement Board can be assured both by the board and the public entities. The Legislature, in addition, has not heretofore examined the statutory provisions and processes whereby the information is relayed from public entities to the Public Employees Retirement Board.

The Nebraska Retirement Systems Committee is directed to conduct a study of the means by which information relevant to the public employees retirement systems is collected, maintained, and reported by public entities for the use of the retirement systems administered by the Public Employees Retirement Board.

### III. List of Interim Studies - *continued*

#### **LR 148**

*Introduced by Nebraska Retirement Systems Committee*

*PURPOSE:* The Legislature has the responsibility of developing sound and adequate public retirement systems for Nebraska's public employees and has bound itself to provide general principles of sound retirement planning for all public retirement systems in the State of Nebraska. Public retirement plans should be designed to provide adequate retirement benefits for public employees who have completed a period of service considered to be a normal career. The determination of benefit adequacy of any public retirement system directly inheres in the criteria chosen to analyze the components of each retirement system, but the Legislature has not heretofore fully expressed the principles on which the criteria should be chosen that are then used to analyze public retirement systems for benefit adequacy. It is desirable that the Legislature should create a uniform set of criteria to be used in the determination of benefit adequacy for the County Employees Retirement System, the Judges Retirement System, the School Employees Retirement System, the Class V School Employees' Retirement System, and the State Patrol Retirement System, and the State Employees' Retirement System in the State of Nebraska. The Nebraska Retirement Systems Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

#### **LR 149**

*Introduced by Stuhr*

*PURPOSE:* The purpose of this resolution is to study the importance of vocational education at the secondary level. The study shall include, but not be limited to: (1) The role of secondary education in providing vocational and career-preparation opportunities for students; (2) the role of vocational education in meeting the education, training, and economic development needs of business and industry in Nebraska; and (3) the role of the State Board of Vocational Education in providing leadership for vocational education.

#### **LR 153**

*Introduced by Kristensen*

*PURPOSE:* The purpose of this study is to review the operations of, and statutory framework for, the Tax Equalization and Review Commission (TERC). The TERC was created by Laws 1995, LB 490 to perform intercounty and intracounty equalization along with other duties. The TERC has been operational since 1996. A study is necessary to examine whether, under its current organizational structure, the TERC can adequately perform its duties and meet the objectives for which it was created. Among other issues, this study should specifically examine and determine: (1) Whether the TERC as organized provides sufficient due process to parties; (2) Whether the TERC has the time, resources, and statutory support necessary to fully consider and address all of the issues raised before the body; (3) Whether the TERC provides an accessible and realistic forum for redressing grievances in matters of taxation; (4) Whether the procedure for appealing rulings of the TERC provides a legitimate avenue for review of the TERC's decisions; (5) Whether the TERC provides greater fairness, consistency, and efficiency in the process of taxation; (6) Whether the TERC is removed from the political process as intended; and (7) The appropriate relationship between the TERC and the Property Tax Administrator.

#### **LR 170**

*Introduced by Raikes*

*PURPOSE:* To review existing statutes, sections 10-711 and 10-712, Reissue Revised Statutes of Nebraska, relating to the liability for the payment of pre-existing bond debt of territory moving from one school district to another in both the original school district and the new school district into which it has been annexed. The key definitional section, section 10-712, has not been substantially changed in over a century with the result that it may no longer adequately address issues of fairness and equity under modern circumstances. Questions raised by the Supreme Court of the State of Nebraska in 1883 still have not been addressed by the Legislature. The whole matter raises serious constitutional questions.

### III. List of Interim Studies - *continued*

#### **LR 173**

*Introduced by Revenue Committee*

*PURPOSE:* In 1997, the property tax issue remains important to a majority of Nebraskans. It has become apparent over the last twenty-five years of work in this area, that the traditional approaches, including aids and state aid to political subdivisions, while effective, are not sufficient in and of themselves to adequately address the concerns of Nebraskans over the long term. Frustration with the current system has led to proposals to severely limit the availability of property tax for funding public services. As a result, the Legislature commenced a multiyear process designed to permanently reduce local government demands on property tax. Legislative proposals which have been enacted dramatically reduce the number of entities allowed to independently levy property taxes, place absolute dollar and cents limits on the actual tax levy, change the process by which property taxes are levied, shift responsibilities from local to state tax bases, or otherwise alter the state-local or interlocal relationships. Other legislative proposals are being considered and may be enacted by the Ninety-fifth Legislature, First Session, 1997, which change the taxation of motor vehicles, revise aid formulas to provide state assistance to local governments, and create mechanisms for joint or state oversight of local construction projects. These proposals raise a number of issues which must be addressed to substantially and permanently reduce Nebraska's dependence on property tax. These issues cover a very broad spectrum of the committees organized to carry out the business of the Legislature.

Resolution of the property tax issue involves a serious look at public services in Nebraska and the methods we use to pay for them. Efforts to provide property tax relief must be directed toward achieving the following goals: (1) Restructuring local and state governmental services in Nebraska; (2) Reducing the use of property tax to finance public services; and (3) Restructuring state aid to local government and local revenue authority as is necessary to achieve goals 1 and 2. Such a project involves a detailed examination of most governmental services and the jurisdiction and expertise of most committees of the Legislature. Coordination and execution of such a research effort is critical to delivering results that will provide property tax relief that is adequate and permanent and that can be implemented in an orderly fashion. Included among these issues is the possible need and use of the Property Tax Reduction Incentive Fund as proposed by Legislative Bill 180, Ninety-fifth Legislature, First Session, 1997.

#### **LR 175**

*Introduced by Bromm, Robinson, Vrtiska, Dierks*

*PURPOSE:* The Legislature provided in Laws 1996, LB 1114, that Nebraska's public school districts are to substantially reduce the expenditure of property tax dollars used in general fund expenditures for kindergarten through grade twelve education. School districts expend in excess of one hundred million dollars annually for the purchase of group medical insurance coverage for employees. For the vast majority of public school districts, the group medical insurance coverage is provided as a practical matter under policies offered by only one vendor. This study shall include, but not be limited to, examination of the following: (1) Whether a public school district which purchases group medical insurance coverage for its employees should be required periodically to open such coverage to a public bidding procedure; (2) Whether an insurance company which sells group medical insurance coverage to public school districts for their employees should be required to periodically disclose financial experience data related to such coverage; (3) Whether an insurance company which sells group medical insurance coverage to public school districts for their employees should be required to annually submit to the Department of Insurance a financial summary report for such coverage for the preceding calendar year; and (4) Any other issues necessary or appropriate for a full and complete examination of this matter.

#### **LR 177**

*Introduced by Coordsen, Bohlke, Schellpeper*

*PURPOSE:* The purpose of this resolution is to study the implication of the issues contained in Legislative Bill 306, Ninety-fifth Legislature, First Session, 1997.

### III. List of Interim Studies - *continued*

#### **LR 183**

*Introduced by Crosby*

*PURPOSE:* That the Education Committee of the Legislature and the Health and Human Services Committee of the Legislature will study and make recommendations as to how all students can be ensured of access to school nurses delivering quality school health services. That the committees will study and make recommendations as to what can be done to ensure that the minimum mandates (vision, hearing, dental, and immunization record review) are being met and student safety, health promotion, and disease prevention assured.

#### **LR 190**

*Introduced by Robinson*

*PURPOSE:* To identify the potential consequences of adopting into the School Employees Retirement System the “Rule of Eighty-five” with a minimum retirement age of fifty-five. An actuarial study would provide the most accurate information as regards the subject of this resolution, but funds for such study are not available at this time. Barring an actuarial study, however, this resolution proposes that the Nebraska Retirement Systems Committee identify potential consequences for system members, employers, and the State of Nebraska, if the School Employees Retirement System adopts the “Rule of Eighty-five” with a minimum retirement age of fifty-five.

#### **LR 201**

*Introduced by Withem*

*PURPOSE:* The purpose of this interim study is to determine how the Legislature can encourage joint cooperative efforts, similar to those noted in the spirit of discussion and passage of Laws 1996, LB 1085, between political subdivisions in order to provide necessary services such as water, sewer, gas, or solid waste disposal systems. The study shall include, but not be limited to, whether such efforts should be mandated, the cost efficiencies of joint efforts, financing options in light of consolidated efforts, and the need to receive public input from citizens receiving such services.

#### **LR 218**

*Introduced by Hartnett*

*PURPOSE:* One of the key elements in the 1996 package of property tax reduction bills crafted by the Revenue Committee and adopted by the Legislature was the encouragement of merger and consolidation. It was believed that substantial savings in property tax costs could be realized through mergers of public bodies and through structural or functional consolidations in the provision of services. One of the principal tools available in Nebraska statutes to accomplish this is the Interlocal Cooperation Act. It is important to the success of legislative efforts to reduce property taxes that activity with regard to merger and consolidation through the operation of the Interlocal Cooperation Act be monitored and evaluated. The purpose of this study is to review current merger and consolidation activity, determine the effectiveness of such efforts in reducing property taxes and bringing about new efficiency in local government, identify barriers to such activity whether by reason of current statutory restrictions or practical concerns, and recommend changes in the statutes to facilitate and expedite merger and consolidation initiatives.

#### **LR 228**

*Introduced by Judiciary Committee*

*PURPOSE:* During the 1997 Legislative Session, Legislative Bills 291 and 439, Ninety-fifth Legislature, First Session, were introduced to provide an enhanced penalty for an offense committed by a person or persons if such offense was committed while in the course of gang activity. The interim study will include, but will not be limited to, the following: (1) An overview of gang activity in Nebraska; (2) A study of how other states address crimes committed by gangs; (3) The merits of enacting provisions in the Nebraska Criminal Code directly related to gangs and gang activity, including definitions of “gang” and “gang activity”; and (4) The necessity of such legislation in relationship to the laws already available for prosecuting gang members for gang activity.

### III. List of Interim Studies - *continued*

#### **LR 233**

*Introduced by Bohlke, Wickersham*

*PURPOSE:* During this and past legislative sessions, the Legislature has spent a great deal of time discussing school finance. It is evident that a method is needed to evaluate how effective schools utilize funding provided by state and local sources. A study will be conducted during the interim to design and implement statewide assessment of school spending. The study will survey methods used by other states to determine what techniques and evaluations are available and effective. After review and analysis of data obtained nationally and locally, a determination of an appropriate mechanism to assess school spending in Nebraska would be instituted.

#### **LR 235**

*Introduced by Bohlke*

*PURPOSE:* A number of bills passed and pending make major changes in the budgeting process for schools. It is evident that we need to study how these changes impact school systems. This study should include, but not be limited to, evaluation of time lines established by past and present legislation and reinstatement of budget growth provisions.

#### **LR 238**

*Introduced by Hartnett*

*PURPOSE:* To study issues regarding students with disabilities and special education students under the option enrollment program, most particularly the issues raised by LB 444, Ninety-fifth Legislature, First Session, 1997, with regard to transportation services and option enrollment students who are later diagnosed with a severe disability who cannot be served in the option district.

#### **LR 239**

*Introduced by Hartnett*

*PURPOSE:* To study the legal and public policy issues raised by section 1 of Legislative Bill 711, Ninety-fifth Legislature, First Session, 1997, with regard to requiring school districts to admit pupils who are in the actual physical custody of a resident of the district.

#### **LR 252**

*Introduced by Wesely*

*PURPOSE:* Local governments are being asked to deliver services with fewer resources, especially property taxes. Local governments must find efficiencies and develop cooperative arrangements. Since local schools are often the center of a community, the resources of a school district may be utilized to the benefit of both the school district and other units of local government. This study proposes to examine how local schools can be better utilized for governmental and community services. The study shall examine: (1) Whether school buses can be utilized for human service transportation needs; (2) Whether school buildings can house or provide some governmental services without disrupting educational opportunities; and (3) The feasibility of joint school-local government projects such as libraries, parking, or the sharing of equipment.

#### **LR 257**

*Introduced by McKenzie*

*PURPOSE:* The purpose of this study resolution is to examine the issues surrounding delinquent payment of property taxes. The study shall include, but not be limited to, the issues brought to the Legislature through Legislative Bill 187, Ninety-fifth Legislature, First Session, 1997, to review the rate of interest assessed on certificates for unpaid property taxes. The study shall also explore the process by which out-of-state investors determine tax certificate availability.

### III. List of Interim Studies - *continued*

#### **LR 258**

*Introduced by Kristensen*

**PURPOSE:** The purpose of this resolution is to study the impact and implementation of Legislative Bill 271, Ninety-fifth Legislature, First Session, 1997. LB 271 provides motor vehicle tax and fee schedules to create greater consistency in the manner in which motor vehicles are taxed throughout the state. Among other issues, this study should specifically examine: (1) How best to implement the provisions of LB 271; and (2) The level of progressivity or regressivity of the respective tax and fee schedules contained in LB 271.

#### **LR 264**

*Introduced by Bohlke, Wickersham, Suttle, McKenzie, Bromm, Stuhr, Beutler*

**PURPOSE:** A task force shall be appointed by the Chair of the Education Committee to study quality education and core curriculum issues. The chair of the Education Committee shall serve as its chairperson and the membership of the task force should include the members of the Education Committee, the Commissioner of Education, the Dean of the Teacher's College—UNL, and one representative from each of the following, recommended by the Governor: The Nebraska Council of School Administrators; the Nebraska Association of School Boards; the Nebraska State Education Association; the Greater Nebraska Schools Association; the Nebraska Rural Community Schools Association; and the Nebraska Congress of Parents and Teachers. The study shall consider issues including, but not limited to, the following:

(1) The development of a definition of Quality Core Curriculum, which includes specific course offerings high school graduates must complete and which, at a minimum, will provide each high school graduate with the opportunity to acquire the same or similar skills to meet the entry requirements of the University of Nebraska, and with a reasonable chance to successfully complete a college education, be enrolled in a community college, or enter the job market on an equal footing with other Nebraska high school graduates;

(2) Having defined Quality Core Curriculum, the task force shall estimate the cost of providing Quality Core Curriculum in representative school systems across the state, taking into consideration the varying costs influenced by legitimate factors which impact cost;

(3) The task force shall investigate, examine, and evaluate assessments to measure individual student performance and progress. This study shall include the ability of parents, community members, and state funding entities to assess effectiveness of a school's academic program; and

(4) The task force shall provide to the Education Committee a series of recommendations designed to ensure equitable access to the defined Quality Core Curriculum, and recommendations on assessment policies designed to measure student progress in areas included in the Quality Core Curriculum.

#### **LR 267**

*Introduced by McKenzie, Schimek, Bruning, Bohlke, Bromm, Suttle, Beutler, Brown*

**PURPOSE:** The purpose of this study resolution is to provide information to the Legislature on the development and need for services and programs in our public schools for learners with high ability. This study shall include, but not be limited to, possible funding sources and distribution mechanisms to support services and programs for learners with high ability as required under Neb. Rev. Stat. sections 79-1105 to 79-1109. Also included in the study shall be changes to the certification requirements for an entry-level teacher or administrator.

#### **LR 285**

*Introduced by McKenzie*

**PURPOSE:** The purpose of this study resolution is to provide information regarding special education and assist the State Department of Education in adopting rules and regulations to define educational benefit. This study shall also include, but not be restricted to, giving direction to school districts in making the distinction between health or medical services which are not the responsibility of school districts and educational services which are the responsibility of school districts.

### III. List of Interim Studies - *continued*

#### **LR 295**

*Introduced by Coordsen, Dierks, Schellpeper, Bromm*

*PURPOSE:* The state aid to education formula, as modified by LBs 806 and 710 of the Ninety-fifth Legislature, First Session, 1997, differentiates as between the way school systems subject to the “lop-off” and school systems which receive “lop-off” dollars are treated.

The Legislature requests the Attorney General of Nebraska to review LBs 806 and 710, Ninety-fifth Legislature, First Session, 1997, and the applicable constitutional provisions, including Article VII, section 1, and Article VIII, section 1, Constitution of Nebraska, prior to the effective dates of those Legislative Bills to determine whether the state aid to education formula as modified in such bills violates subdivision (1) of Article VIII, section 1, Constitution of Nebraska, which provides: “Taxes shall be levied by valuation uniformly and proportionately upon all real property ...” and to provide the Legislature with an opinion of the constitutionality of LBs 806 and 710, Ninety-fifth Legislature, First Session, 1997, at his earliest possible convenience.

## IV. Supplement

### Effective Dates for Certain Legislation Passed in 1997

#### **LB 269e**

*Effective June 6, 1997:* All sections except those noted below.

*Effective July 1, 1998:* Sections 1, 2, 4-9, 17, 19, 21, 30-33, 37-40, 54-58, 62, 63, 66-76, and 79.

#### **LB 270e**

*Effective June 10, 1997:* Sections 64, 66, 74, 76, 78, 93, 98, 99, 105, 108, and 111.

*Effective July 1, 1997:* Sections 1, 22, 26, 27, 34, 35, 40-44, 57, 59, 60, 62, 75, 100, 101, 103, and 106.

*Effective January 1, 1998:* Sections 3, 5-7, 15, 51, 53-55, 63, 65, 68-73, 77, 79, 80, 82-91, 102, and 107.

*Effective September 13, 1997:* All sections except those noted above.

#### **LB 271e**

*Effective June 11, 1997:* Sections 9-12, 54, 56, and 58.

*Effective January 1, 1998:* All other sections except those noted above.

#### **LB 623e**

*Effective March 27, 1997:* All other sections except those noted below.

*Effective July 1, 1997:* Sections 50 and 54.

#### **LB 806**

*Effective September 13, 1997:* All sections except those noted below.

*Effective July 1, 1998:* Sections 4 and 67.