

NCSA Final Legislative Report

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Legislation Passed and Signed into Law

LB 18	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Adams	Education	Education Jobs Fund	2/11/11

LB 18 is the implementing legislation for school districts to receive funding from the federal Education Jobs Fund. The measure increased the calculation of formula need, by 2.23% for the 2010-11 school fiscal year, and require the recertification of aid for that year by March 1, 2011. Increases between the original certification and the recertification would be designated as federal Education Jobs Fund allocations. To receive payment of the allocations, school districts would have to meet the federal requirements. In addition to changes related to the allocations, the deadline for the certification of state aid and budget authority for 2011-12 were moved to July 1, 2011. Clarification was also added regarding the treatment of American Recovery and Reinvestment Act allocations.

- Section 79-1003 was amended to specify that the definition of categorical funds does not include federal funds received through the TEEOSA pursuant to this measure or the implementing legislation for the federal American Recovery and Reinvestment Act of 2009.
- Section 79-1007.07 was amended by allowing federal funds distributed through TEEOSA pursuant to the federal Education Jobs Fund to be included in poverty allowance expenditures. Generally, poverty allowance expenditures do not include expenditures paid for with federal funds. Funds received pursuant to the federal American Recovery and Reinvestment Act are already included.
- Section 79-1007.09 was amended by allowing federal funds distributed through TEEOSA pursuant to the federal Education Jobs Fund to be included in limited English proficiency allowance expenditures. Generally, limited English proficiency allowance expenditures do not include expenditures paid for with federal funds. Funds received pursuant to the federal American Recovery and Reinvestment Act are already included.
- Section 79-1008.01 was amended to calculate equalization aid for the 2010-11 school fiscal year only as 102.23% of formula need minus formula resources. Otherwise, equalization aid equals 100% of formula need minus formula resources.
- Section 79-1022 was amended to require NDE to recertify TEEOSA aid on or before March 1, 2011 for the 2010-11 school fiscal year. The section was also amended to move the certification date to July 1, 2011 for the 2011-12 school fiscal year. For all years thereafter, certification would occur on or before March 1st as in the current law. The deadline for certification for the 2011-12 school fiscal year had previously been moved to April 1, 2011.

- The deadlines for reporting the necessary funding levels to the Governor, the Appropriations Committee, and the Education Committee was also moved to March 1 for 2010-11 and July 1 for 2011-12.
- School districts would not be required to revise previously adopted budget statements due to the recertification of aid for 2010-11 unless expenditures are increased in 2010-11 as a result of any increased aid. The increased aid that has not been included in an amended budget for 2010-11 would be required to be included in the unencumbered cash balance for the 2011-12 budget for each school district.
- For school fiscal year 2010-11, payment of aid would be based on the March 10, 2010 certification, except that NDE is required to make federal Education Jobs Fund allocations available on the last business day of April. The allocations would be in the amount of the increases in state aid from the 1st certification to the 2nd, rounded to the nearest whole dollar.
- Section 79-1022.02 was amended by declaring the state aid certification made on March 10, 2010 to be null and void with regard to the total state aid to be paid during school fiscal year 2010-11. State aid would be recertified for the 2010-11 school fiscal year on or before March 1, 2011 for the purpose of determining federal Education Jobs Fund allocations and adjusting the total state aid to be paid to include such allocations. The recertification would rely on data sources as they existed on March 10, 2010.
- Section 79-1023 was amended by moving the certification deadline for the budget limitations from April 1 to July 1 for the 2011-12 school fiscal year. For all years thereafter, certification would occur on or before March 1st as in the current law.
- Section 79-1026.01 was amended by moving the certification deadline for the applicable allowable growth rate from April 1 to July 1 for the 2011-12 school fiscal year. For all years thereafter, certification would occur on or before March 1st as in the current law.
- Section 79-1027 was amended by moving the certification deadline for the applicable reserve percentage from April 1 to July 1 for the 2011-12 school fiscal year. For all years thereafter, certification would occur on or before March 1st as in the current law.
- A new section within TEEOSA would provide for the federal Education Jobs Fund allocations. The allocations would be equal to the amount of the increases in state aid from the 1st certification to the 2nd, rounded to the nearest whole dollar.
 - The allocations would only be payable upon meeting the requirements of this section. One requirement would be approval of the Governor or his or her designee of either an application for an allocation in a prior year pursuant to the federal American Recovery and Reinvestment Act of 2009 or an application filed pursuant to the new section meeting the requirements of that Act signed by the superintendent and school board president and filed with NDE. School districts would also be required to

account for, report, and spend the allocation as required by the federal law authorizing the Education Jobs Funds.

- The allocation would not be considered special grant funds and would be considered state aid for all purposes except as otherwise provided in the section or federal law. The allocation would not be adjusted in the final calculation of state aid. However, the allocation would be included in the total state aid, which could be adjusted. Expenditures of the allocations would be considered expenditures from the general fund and would be included in general fund operating expenditures.
- Section 79-1028.01 was amended by providing that the American Recovery and Reinvestment Act allocations would not be adjusted in the final calculation of state aid. However, the allocation would be included in the total state aid, which could be adjusted. Clarification would be added stating that expenditures of the allocations would be considered expenditures from the general fund and would be included in general fund operating expenditures.
- Section 79-1031.01 was amended by changing the certification dates to March 1 for 2010-11 and July 1 for 2011-12 in the requirement for the Appropriations Committee to include the amount necessary to fund aid in the budget recommendations to the Legislature.

LB 19	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	McCoy	Judiciary	Ban K2, controlled substance	2/23/11

LB 19 amends the Nebraska Uniformed Controlled Substances Act to include the class of synthetic cannabinoids used to make the drug commonly known as *K2* or *Spice*. LB 19 seeks to apply a ban for synthetic cannabinoids.

Under this new law, the penalties for possessing, manufacturing or distributing K2 mirror those currently in statute for possession, manufacture, or distribution of marijuana. Penalties for possession of any amount of synthetic cannabinoids and marijuana less than an ounce:

- *1st Offense*: Infraction, receive a citation, \$300 fine and attend a drug and alcohol course at judge's discretion.
- *2nd Offense*: Class IV misdemeanor, receive a citation, \$400 fine and a maximum of five days imprisonment.
- *3rd and Subsequent Offense*: Class IIIA misdemeanor, receive a citation, \$500 fine and a maximum of seven days imprisonment.

The new law is effective February 23, 2011.

LB 67	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Fischer	Transportation	Child safety seats	8/27/11

LB 67 clarifies that a violation of the use of child safety seats for children up to age 6 is a primary offense. *(There has been some confusion in the law enforcement community as to how §60-6,267 is to be enforced, but legislative history reveals that such a violation was intended to be enforced as a primary offense.)*

LB 67 clarifies that enforcement of a violation of a child safety seat for children up to age 6 is a primary violation. The bill amends §60-6,267 to distinctly separate the provisions dealing with the use of safety belts and restraint systems for children up to age 6 and for children aged 6 to 18.

The bill amends §60-6,268 to clarify that subsections 2 (children 6 to 18) and 8 (passengers of a provisional operator permit/school permit) are enforced only as a secondary action. This leaves subsection 1 (children up to age 6 in car/booster seats) as a primary violation.

LB 84	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Fischer	Revenue	Sales tax; road construction	7/1/13

LB 84 adopts the Build Nebraska Act. Effective July 1, 2013 until July 1, 2033, the proceeds from a sales and use tax rate of one-quarter of one percent are credited 85% to the State Highway Capital Improvement Fund and 15% to the Highway Allocation Fund. Under current law this revenue would have been credited to the General Fund. The State Highway Capital Improvement Fund will be administered by the Department of Roads and the Highway Allocation Fund is distributed to cities and counties. This provision would not apply to the sales tax on motor vehicles.

Estimates from the Department of Revenue indicate that revenue from the quarter-cent sales tax will equal \$69,297,000 in FY2013-14 (11 months) and \$71,822,000 in FY2014-15. The General Fund will lose \$69,297,000 of revenue in FY2013-14 (11 months) and \$71,822,000 in FY2014-15.

Money annually credited to the State Highway Capital Improvement Fund is to be used as follows:

- a) At least 25% of the money is to be used for construction of the expressway system and federally designated high priority corridors; and
- b) the balance of money credited to the fund must be used for surface transportation projects of the highest priority as determined by the Department of Roads.

LB 158	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Fischer	Transportation	Drivers examination	8/27/11

LB 158 restricts the re-taking of a driving examination for a Class O or Class M license and expands the use of on-line driver license renewal.

NOTE: A Class O license is an operator's license that authorizes the person to whom it is issued to operate on highways any motor vehicle except a commercial motor vehicle or motorcycle. A Class M license is an operator's license or endorsement on a Class O license, provisional operator's permit, learner's permit, school permit, or commercial driver's license that authorizes the person to whom it is issued to operate a motorcycle on highways. [Ref. Neb. Rev. Stat. §60-480]

The bill adds a new section to the Motor Vehicle Operators' License Act that requires any applicant who has failed the driving portion of the driver license test three successive times to obtain a learner's permit and either complete an approved driver training course or wait 90 days after obtaining the permit.

The bill amends Sec. 60-4,122 to expand the maximum age a license holder can renew on-line from 65 years old to 72 years old. The bill also inserts a new subsection to authorize teenagers going through the graduated license process to apply for successive licenses on-line if:

1. a digital image and signature is in the digital system;
2. the applicant has passed any required exams;
3. the applicant's current license is not impounded, suspended, revoked or canceled; and
4. the applicant is otherwise eligible as determined by the DMV.

The bill also adds a new subsection (10) to authorize the DMV to develop requirements for electronic issuance of driver licenses and identification cards.

LB 163	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Fischer	Transportation	Handicap permits	8/27/11

LB 163 authorizes the DMV to create an electronic application process for handicapped permits and makes the process more convenient for a permit holder. The bill makes many changes to the statutory provisions of the handicapped permit process. However, most are for purposes of clarification and reorganizations. The main substantive changes include:

- Section 3 amends §18-1738 to allow a person to hold up to two permits at one time. The section also allows an application for a renewal permit to be filed within 180 days prior to the current permit's expiration. Current statute only allows renewal applications within 30 days of expiration.
- Section 6 amends §18-1739 to allow up to two duplicate permits to be issued in a permit's valid period before an applicant is required to reapply for a new permit. Current

statute only allows for one duplicate permit to be issued.

- Section 7 amends §18-1740 to extend the validity of permanently issued handicapped permits from three years to six years.
- Section 23 (a new section of law) authorizes the DMV to create an electronic system for handicapped or disabled parking permits. The system must be implemented before January 1, 2013.
- Section 24 (a new section of law) expands upon the electronic system, allowing a person or certified health care provider to apply for the permit using the online process. A certified health care provider includes a physician, physician assistant, or advanced practice registered nurse.
 - Application for renewal can be made within 180 days of the original permit's expiration date.
 - DMV will also be required to issue an identification card showing the expiration date of the permit and such identifying information of the applicant as necessary.
 - DMV will be required to verify that the applicant qualifies for a permit and deliver the permit to the applicant. A person may hold up to two permits.
- Section 29 (a new section of law) prohibits any person from providing false information on a permit application, making it a Class III misdemeanor. If the director discovers fraud in an application, she may cancel the permit and send notice of cancellation.
- Section 30 (a new section of law) allows rule and regulation authority for the DMV, and specifically states all current rules and regulations regarding the permit process will remain in place until they are amended or nullified.

LB 177	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Campbell	Health	Foster care	8/27/11

LB 177 requires the Department of Health and Human Services (HHS) to notify adult relatives within 30 days of a child's removal from his or her home. An exception is provided if an adult relative's history of domestic or family violence would make notification inappropriate.

The bill also requires that HHS and the court make reasonable efforts to place siblings together and provide visitation or ongoing interaction when siblings are not placed together. An exception is provided if joint placement or visitation would be contrary to the safety and wellbeing of any sibling.

Finally, the bill requires HHS to develop an individual proposal for each child transitioning out of foster care into adulthood. Such a proposal would include assessment of a foster child’s educational, employment, housing, health care and other support needs.

LB 197	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Dubas	Judiciary	Breast feeding in public	8/27/11

LB 197 creates a right for a woman to breast feed her child in any place she is authorized to be. The entirety of the bill states, “Notwithstanding any other provision of law, a mother may breast-feed her child in any public or private location where the mother is otherwise authorized to be.”

LB 210	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Cornett	Revenue	Technical cleanup	8/27/11

LB 210 was introduced on behalf of the Nebraska Department of Revenue and represents department’s annual omnibus tax administration and enforcement bill.

- The due date for sales and use tax returns will be the 25th day (20th day under current law) of the month following the prior reporting period. [LB 210, sections 1, 2, 8, 9, and 10.]
- It provides that, for purposes of sales of educational lands at public auction, appraised value is the value established pursuant to §§ 72-257 to 72-258, which allow school lands to be sold at the expiration of present leases of such land. [LB 210, sec. 3]
- It exempts the Property Tax Administrator from having to meet certain education requirements applicable to members of the Tax Equalization and Review Commission who are attorneys-at-law, and it eliminates obsolete language. [LB 210, sec. 4]
- It requires county assessors to electronically report information to the Property Tax Administrator, including reporting data on the assessed valuation and other features of the property assessment process, and requires the Property Tax Administrator to collect and analyze data for intracounty comparisons for school districts and other political subdivisions. [LB 210, sec. 5]
- It grants additional time for the Department to send a notice of demand to collect or pay taxes owed by a corporation to a responsible corporate officer when the corporate tax liability is the subject of a federal bankruptcy proceeding. [LB 210, sec. 6.]
- It extends the length time a common or contract carrier’s sales tax exemption certificate expires to five years (three years under current law). [LB 210, sec. 7]
- It places the State Athletic Commissioner under the general supervision of the administrator of the Charitable Gaming Division of the Department. [LB 210, sec. 11]

- It provides that the due date for paying sales tax on transient lodging under the Nebraska Visitors Development Act will be the 25th day (20th day under current law) of the month following the prior reporting period. [LB 210, sec. 12]
- It provides that the due date for paying the waste reduction and recycling fee for new tires will be the 25th day of the month following the prior reporting period. [LB 210, sec. 13]
- It eliminates the Greenbelt Advisory Committee by outright repealing §77-1355. [LB 210, sec. 17]

Changes proposed by LB 210 have different operative dates. Sections 3, 4, 5, 6, 11, 14, 15, and 17 will be operative on the effective date of LB 210, whereas the other sections of the bill will be operative October 1, 2011. [LB 210, sec. 14]

LB 235	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Adams	Education	School finance formula	4/27/11

LB 235 changes the state aid formula under the Tax Equity and Educational Opportunities Support Act (TEEOSA).

CHANGES TO NEEDS UNDER TEEOSA

Base Limitation/Cost Growth Factor: The base limitation rate or basic allowable growth rate in the aid formula is decreased from 1.5% to 0% for FY2011-12 and .5% for FY2012-13. A decrease in the rate reduces the cost growth factor in the formula, which is used to inflate school district expenditures for purposes of calculating aid. The cost growth factor is also adjusted to eliminate an additional factor, which is currently added to the basic allowable growth rate for the aid year plus the basic allowable growth rate for the prior aid year. The 1% factor is eliminated (note that the factor is normally 1% but it has been changed to 1.5% for aid distributed in FY2011-12 and FY2012-13). These changes result in a calculated cost growth factor of .25% for FY2012 and .5% for FY2013. The decrease in the cost growth factor decreases the amount of state aid that is provided as basic funding.

Averaging Adjustment: The averaging adjustment increases need for districts whose basic funding per student is less than the averaging adjustment threshold. The bill decreases the averaging adjustment threshold by 5% in FY2012. It also permanently eliminates an additional .5% that is added to increase the threshold in the calculation each year. The reduction in the threshold used to compute the averaging adjustment reduces state aid for districts receiving the averaging adjustment.

Needs Stabilization: LB 235 changes the calculation of needs stabilization in FY2011-12. The bill reduces the lower and upper limits for the needs stabilization by 5%. Currently, the amount of need is stabilized at the prior year's level, if need is calculated

to be less than the prior year. The bill provides that needs will be stabilized at 95% of the prior year's amount if needs for a district are calculated to be less than 95% of the prior year.

The upper limit on needs stabilization is also adjusted in FY2012. Currently, if calculated needs for a district are greater than 112% of the prior year, then needs are adjusted to 112%. The stabilization limit is changed to 107% by the bill. Districts receiving a student growth adjustment are excluded from the reduction. The change in needs stabilization reduces state aid for districts that are eligible for stabilization aid.

Elementary Class Size Allowance: The bill repeals language that would otherwise eliminate the elementary class size allowance beginning in FY2013-14. Generally, allowances attribute expenditures for such purposes to school districts incurring the expenditures that reduce the amount of basic funding available in the formula. In FY2011, the elementary class size allowance was \$105.4 million of the needs calculation.

The retention of the allowance should not increase or decrease the overall amount of state aid distributed, unless the interaction with the averaging adjustment or needs stabilization changes the amount, but it will alter the amount of aid received by individual districts.

Summer School Allowance: The bill incorporates the provisions of LB 287 (2011) that change the computation of the summer school allowance. Summer school units for the purpose of the allowance are to include students enrolled in an early childhood education program in a summer session (kindergarten eligible students), in the most recently completed data year, beginning with the state aid calculation for FY2012-13. The number of summer school units calculated for early childhood education students would be six-tenths of the number calculated for students in other grades. An additional six-tenths of a summer school student unit is added for each early childhood education child in a free lunch and free milk program.

An allowance in the formula for a particular activity (i.e., summer school) attributes expenditures for that purpose to a school district actually incurring the expenditures. This reduces the amount of basic funding available in the formula by the amount of the allowance and increases funding for schools able to take advantage of the allowance. Generally, the expansion of an allowance should not increase or decrease the overall amount of state aid distributed, but it will alter the amount of state aid received by individual school districts. (It is possible total state aid could increase by an indeterminate amount depending upon how the change in basic funding interacts in the formula with the averaging adjustment or needs stabilization.)

Comparison Groups: The calculation of basic funding for districts is changed in the bill. Currently, the basic funding for a district is determined by comparing the formula students of the five larger and five smaller districts to a district. The highest and lowest spending districts are excluded from the calculation. The comparison group is changed beginning in FY2011-12 to be the ten larger and ten smaller districts, with the two highest and two lowest spending districts excluded from the comparison group. (The

change of the comparison group for an individual district may increase or decrease state aid for that district.)

General Fund Operating Expenditures: The provisions of LB 148 (2011) are included in the bill. Beginning with state aid calculated for FY2012-13, general fund operating expenditures are to exclude amounts paid by school districts for lobbyist fees and expenses. LB 235 also excludes expenditures for voluntary terminations occurring on or after July 1, 2011 and on or before June 30, 2013 from general fund operating expenses.

These exclusions from general fund operating expenses reduce the amount of need calculated for school districts by the amount of the fees and expenses. The report of lobbyist fees and expenses filed with the Nebraska Accountability Disclosure Commission for 2010 (as of January 24, 2011), demonstrates that 14 school districts expended about \$410,000 for lobbyists. Assuming a few more 4th quarter reports will be filed, it is estimated schools spent about \$475,000 for this purpose in FY2010. The amount that will be expended for voluntary terminations is unknown.

The bill also extends an exclusion from general fund operating expenses for the amount of school district contributions to retirement systems. The exclusion is extended for FY2014-15, FY2015-16 and FY2016-17. Any school district contributions to retirement in excess of 7.35% for the state teacher retirement system or 7.37% for the Class V school retirement system made in these fiscal years are excluded from general fund operating expenses for the purposes of calculating state aid.

Cumulative NEEDS Fiscal Impact: The interaction of the NEEDS components of the formula makes it difficult to isolate the impact of a change to the cost growth factor, averaging adjustment, needs stabilization or the other formula changes in the bill. It is estimated the cumulative impact of changes to NEEDS in LB 235 is a general fund savings of about \$137 million in FY2012 and \$168.8 million in FY2013.

CHANGES TO RESOURCES UNDER TEEOSA

Local Effort Rate: The local effort rate is increased from \$1.00 to \$1.0395 for the calculation of aid in FY2012 and FY2013. An increase in the local effort rate decreases the amount of state aid provided to school districts by the amount of additional resources that can be raised from the increased rate. The estimated general fund savings is \$49.7 million in FY2012 and \$52 million in FY2013.

Property Tax Refunds: Formula resources for a school district are reduced by the amount of property tax refunds paid by a district beginning in FY2013. The adjustment decreases resources for a district that will increase state aid for most affected districts by the amount of the refunds.

Income Tax: The bill continues a reduction in the amount of income tax rebate in FY2012 and FY2013. The amount of income tax rebate is reduced by \$21 million in each fiscal year. The reduction in FY2011 is \$20 million. A reduction in income tax

rebate decreases resources to schools and state aid by \$21 million but the aid reduction is restored as equalization aid to equalized districts. The estimated net general fund savings is \$1.9 million in FY2012 and FY2013.

Converted Contract Option Students: The bill includes the provisions of LB 273 (2011), which makes changes in the option enrollment provisions of the formula and the computation of local formula resources. The bill provides that tuition receipts from districts where nonresident students have been converted from being contracted students to option students will not be included as a local formula resource. The converted contract must be an expired contract that was in effect for at least 15 years. Districts having converted contract option students must apply to NDE on or before March 1 for converted contract option students for FY2011-12 and on or before November 1st thereafter. NDE is required to determine the amount of tuition receipts from converted contracts to be excluded from the calculation of formula resources for each of the first two years for which the converted contract is not in effect and determine the number of converted contract option students attributed to the receiving district and a like number is attributed to the resident district as students optioning out.

NDE indicates there has been an agreement between two school districts (Grand Island and Grand Island Northwest), which provides that if Grand Island annexes land in the G.I. Northwest district, and children desire to remain at Northwest, then G.I. pays tuition to Northwest for the students. This agreement ends after the FY2010-11 school year.

State aid payments are based on data elements from the annual financial report of the second preceding school year and the number of option students in the preceding year. In the absence of the bill, in the determination of state aid for FY2011-12, Northwest would have tuition received from Grand Island in FY2009-10 showing as a resource for state aid purposes, but would no longer actually be receiving the tuition payment. The resource would offset the equalization aid that the district would receive by including the students in membership for purposes of the needs calculation.

The bill provides that tuition receipts will not be counted as a formula resource for Northwest, so state aid for Northwest will not be reduced in FY2011-12 by the amount of tuition that Grand Island paid in FY2009-10. The students attending Northwest will become option students and the aid for Grand Island will decrease by a like amount, so it is assumed the changes will have no net fiscal impact.

CHANGES TO BUDGET LIMITATIONS

The bill modifies the budget limitation for school districts in FY2011-12. The general fund budget of expenditures is limited to the greater of: the FY2010-11 general fund budget of expenditures less exclusions in § 79-1028.01, for FY2011 increased by 1.115% of the formula need for FY2011; plus any student growth adjustment; OR, 110% of formula need for FY2012, less special education budgeted expenditures for FY2011 increased by the basic allowable growth rate for FY2012.

Under current law, in FY2011, the budget limit is the maximum of the prior year budget (less grant funds and special education expenditures) increased by .0075% plus the applicable allowable growth rate; or, 116.5% of formula need (less special education expenditures) increased by the basic allowable growth rate.

In FY2012-13 and thereafter, the budget limitation is modified to be the greater of: the prior year general fund budget of expenditures less exclusions in § 79-1028.01 increased by the basic allowable growth rate; plus any student growth adjustment; OR, 110% of formula need for the school year for which the calculation is made less prior year special education expenditures increased by the basic allowable growth rate for the school year being calculated.

A new budget lid exclusion is included allowing schools to exceed their lid in the amount of expenditures for voluntary terminations occurring on or after July 1, 2011 and on or before June 30, 2013. The bill also eliminates the allowable growth range for districts, which is currently up to 3% above the base limitation.

An existing exclusion from the budget lid is extended by the bill for FY2014-15, FY2015-16 and FY2016-17. Expenditures by school districts to pay for employer contributions to the School Retirement System or the Class V School Employees Retirement System are excluded from the budget lid when the expenditures are in excess of what would have been spent at a rate of 7.35% or 7.37%, respectively.

The unused budget authority that may be accessed by school districts is also changed. Currently, unused budget authority is carried over to the next fiscal year. LB 235 limits the use of unused budget authority in any fiscal year to 2% of the difference of the general fund budget of expenditures (less grant funds, special education expenditures and certain exceptions) for the preceding school year.

The budget limitations in the bill allow for about a 3% growth in spending in FY2012. However, it is assumed the combination of low growth in property valuations, limited unused tax rate capacity, and a \$128 million reduction in state aid lowers the resources to schools to the point where spending will only increase by about 1%. It is assumed a growth in resources in FY2013 allows school spending to increase by 2.5% per LB 235 budget limitations.

LB 260	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Lathrop	Health	Concussion awareness	7/1/12

LB 260 creates the Concussion Awareness Act and finds that concussions are one of the “most commonly reported injuries in children and adolescents who participate in sports and recreational activities and that the risk of catastrophic injury or death is significant when a concussion or brain injury is not properly evaluated and managed.”

Under the bill, all public and private schools must:

- a. Make available training approved by the chief medical officer on how to recognize the symptoms of a concussion or brain injury and how to seek proper medical treatment for a concussion or brain injury to all coaches of school athletic teams; and
- b. Require that concussion and brain injury information be provided on an annual basis to students and the students' parents or guardians prior to such students initiating practice or competition. The information provided to students and the students' parents or guardians must include, but not limited to:
 - The signs and symptoms of a concussion;
 - The risks posed by sustaining a concussion; and
 - The actions a student should take in response to sustaining a concussion, including the notification of his or her coaches.

A student who participates on a school athletic team must be removed from a practice or game when he/she is reasonably suspected of having sustained a concussion or brain injury in such practice or game after observation by a coach or a licensed health care professional who is professionally affiliated with or contracted by the school. The student will not be permitted to participate in any school supervised team athletic activities involving physical exertion, including practices or games, until the student:

- a. has been evaluated by a licensed health care professional,
- b. has received written and signed clearance to resume participation in athletic activities from the licensed health care professional, and
- c. has submitted the written and signed clearance to resume participation in athletic activities to the school accompanied by written permission to resume participation from the student's parent or guardian.

If a student is reasonably suspected after observation of having sustained a concussion or brain injury and is removed from an athletic activity, the parent or guardian of the student must be notified by the school of:

- a. the date and approximate time of the injury suffered by the student,
- b. the signs and symptoms of a concussion or brain injury that were observed, and
- c. any actions taken to treat the student.

The bill expressly provides that a school is not required to provide for the presence of a licensed health care professional at any practice or game.

The bill also provides that the signature of an individual who represents that he/she is a licensed health care professional on a written clearance to resume participation that is provided to a school will be deemed to be conclusive and reliable evidence that the individual who signed the clearance is a licensed health care professional. The school is not required to determine or verify the individual's qualifications.

Note: The same requirements placed upon schools under LB 260 are also placed on municipalities and nonprofit organizations (such as the NSAA) that organizes an athletic activity in which the athletes are 19 years of age or younger and are required to pay a fee to participate in the athletic activity or whose cost to participate in the athletic activity is sponsored by a business or nonprofit organization.

LB 260 becomes operative on July 1, 2012.

LB 331	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Ed. Com.	Education	NET facilities	8/27/11

LB 331 represents one of many cost saving proposals passed in the 2011 Session. The bill amends § 79-1316 by removing a requirement that the educational television network established by the Nebraska Educational Telecommunications Commission consist of at least two general originating broadcast production facilities with one being located in Omaha. The proposal also makes a technical clarification regarding the remission of fees for credit to the State Educational Telecommunications Fund.

LB 332	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Ed. Com.	Education	Ed. Lands and Funds	10/1/11

LB 332 represents one of many cost saving proposals passed in the 2011 Session. The measure pertains to the Board of Educational Lands and Funds and amends § 72-201 to eliminate the per diem for members of the Board beginning October 1, 2011. Members are currently paid \$40 for each day that they are engaged in the performance of the duties of their office. Members would continue to be paid necessary traveling expenses incurred while performing Board business.

LB 333	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Ed. Com.	Education	LR 542 cost savings	3/16/11

LB 333 implements recommendations of the Education Committee contained in the LR 542 report affecting the Department of Education. LB 333 amends and repeals various statutes pertaining to schools, including the following.

Student Achievement Coordinator: LB 333 repeals the section of statute requiring a student achievement coordinator at the NDE. The general fund savings from eliminating the position will be \$103,420 in FY2012 and FY2013.

School District Reorganization Fund: The bill also transfers funds remaining in the School District Reorganization Fund on July 1, 2011 to the Education Innovation Fund. The balance of the reorganization fund was \$703,629 on January 31, 2011. NDE anticipates there will be an additional reorganization that will be eligible for reimbursement from the fund in the current year in the amount of \$425,915. Therefore, the projected revenue that will be transferred to the Education Innovation Fund is estimated to be slightly in excess of \$277,700, depending upon the interest earned the remainder of the fiscal year.

Education Innovation Fund: The bill changes the allocation of the Education Innovation Fund beginning in FY2011-12 through FY2015-16. The fund is derived from lottery proceeds. Current law provides for the first \$1 million of the fund to be used for the Excellence in Teaching Act and the remainder to be allocated, after administrative expenses, for distance education equipment and incentives provided to school districts and educational service units.

LB 333 provides for the accumulated balance and annual revenue of the Education Innovation Fund to be used to fund a couple of existing state aid programs for high ability learners and early childhood education grants. The high ability learner program will be funded with lottery funds for five years and early childhood education grants will be shifted to this fund source for two years. The Center for Student Leadership and Extended Learning Act, a state funded program, is also switched to lottery funding for the next five years as are the multicultural education program and teacher certification investigations. A new request by NDE to fund an integrated student information system will also be funded by the Education Innovation Fund pursuant to the bill.

Funding for distance education equipment, incentives and administration continues under the bill. However, funding for the Excellence in Teaching Act is altered in FY2012 and FY2013. Instead of \$1 million being set aside for this program each fiscal year, the bill provides that only the amount necessary to fund loans for students who received a loan in the prior fiscal year through the Attracting Excellence to Teaching component of the program will be funded.

LB 374	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Flood	Appropriations	Mainline budget bill	7/1/11

LB 374 represents the mainline biennium budget bill for 2011-13. Some of the major education-related appropriations under the mainline budget bill are provided below.

	<i>Funding Source</i>	<i>FY2011-12</i>	<i>FY2012-13</i>
<i>Tax Equity and Educational Opportunities Fund (State Aid)</i>	General Funds	\$804,689,087	\$864,654,919
	Insurance Tax	17,123,234	14,701,227**
	Premium Funds		
	TOTAL	\$821,812,321	\$879,356,145
<i>Special Education Cost Reimbursement *</i>	General Funds	\$184,893,842	\$184,893,842
<i>Educational Service Units Core Services *</i>	General Funds	\$10,488,509	\$10,488,509
<i>Educational Service Units Technology Infrastructure *</i>	General Funds	\$3,272,887	\$3,272,887

* Appropriations held “flat” from current fiscal year appropriation.

** Insurance Tax Premium amount will be adjusted with actual number in the mid-biennium year (2012 Session)

NOTE: “Over the two years of the biennium, TEEOSA school aid under the provisions of LB 235 (2011) is projected to be \$410 million less than what was projected under the law prior to LB 235.” [*State of Nebraska, FY2011-12 / FY2012-13, Biennial Budget, April 2011, p. 2.*]

LB 382	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Nordquist	Retirement	Contribution rates	9/1/11

LB 382 increases the employee contribution rate under the School Employees Plan by 1.5% in a two-stage process.

	<i>Employee Rate</i>	<i>Employer Rate *</i>
Current Rate	8.28%	8.36%
Rate as of 9/1/11	8.88%	8.97%
Rate as of 9/1/12	9.78%	9.88%

* The employer rate is affixed at 101% of the statutorially prescribed employee rate.

NOTE: Under LB 382, the employee rate would remain at 9.78% through August 31, 2017. The Legislature’s Retirement Committee believes it may take until 2017 to overcome a \$400 million actuarial shortfall under the School Employees Plan.

State Contribution: One of the positive provisions under LB 382 is the extension of the 1% state contribution rate (for both the School Employees and OPS Plans), which is currently scheduled to sunset in FY2013-14. LB 382 extends the 1% state contribution through FY2016-17. Beginning July 1, 2017 the state contribution rate returns to .7%.

Spending Lid Exception: Under current provisions of TEEOSA, expenditures in school fiscal years through 2013-14 to pay for employer contributions are excluded under the spending lid to the extent such expenditures exceed the employer contributions that would have been made at a contribution rate of 7.35% for the School Plan, and 7.37% for the OPS Plan. LB 235 (2011), as passed and signed into law, would extend this spending lid exclusion through the 2016-17 school fiscal year.

OPS Plan: LB 382 also affects the Class V (OPS) Employees Retirement Plan. The contribution rate for OPS employees increases 1% to 9.3% beginning September 1, 2011.

LB 397	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Lathrop	Bus. & Labor	CIR reform	7/1/12

LB 397 represents comprehensive reform to the Nebraska Industrial Relations Act and the Commission of Industrial Relations (CIR), the state’s arbiter of labor disputes between public sector employees and government employers.

LB 397 contains provisions related to the duties and authority of the CIR and specific modifications to existing sections of law along with some new sections of law relevant to municipalities, state employees, school districts, educational service units (ESUs), and community colleges.

The “school” provisions become *operative on July 1, 2012* and include four major components:

- Negotiations Timeline
- Total Compensation
- Array Midpoint Range
- Repealed Section (Special Master)

I. NEGOTIATIONS TIMELINE

Overview: Negotiations Timeline *Applicable to School Districts, ESUs, and Community Colleges*

<i>On or Before Date</i>	<i>Action/Activity</i>
September 1	Bargaining agent must request recognition
October 1	Governing board must respond to request
November 1	Negotiations must begin
February 8	If no agreement, parties must submit to resolution officer proceeding
March 25 *	Negotiations must end
September 15	CIR must render decision on industrial dispute

* On or before March 25 of the year preceding the contract year in question or within 25 days after the certification of state aid for the contract year in question, *whichever occurs last in time*, negotiations, mediation, and factfinding must end.

LB 397 (section 11) creates a negotiations timeline applicable for school districts, ESUs, and community colleges. The legislation provides findings that it is “in the public’s interest that collective bargaining ... commence and conclude in a timely fashion consistent with ... budgeting and financing requirements.”

A. *Recognition.* On or before September 1 of the year preceding the contract year in question, the certificated and instructional employees’ collective bargaining agent must request recognition as bargaining agent.

1. The governing board must respond to the request not later than the following October 1.
2. A request for recognition need not be filed if the certificated and instructional employees’ bargaining agent has been certified by the CIR as the exclusive collective-bargaining agent.

- B. *Negotiations Commence.* On or before November 1 of the year preceding the contract year in question, negotiations must begin.
1. There must be no fewer than four negotiations meetings between the certificated and instructional employees' collective-bargaining agent and the governing board's bargaining agent.
 2. Either party may seek a bargaining order, under §48-816(1) at any stage in the negotiations (in the event of failure or refusal to bargain in good faith concerning the matters in dispute).
- C. *Resolution Officer Proceeding.* If an agreement is not reached on or before the following February 8, the parties must submit to mandatory mediation or factfinding as ordered by the CIR unless the parties mutually agree in writing to forgo mandatory mediation or factfinding.
1. The mediator or factfinder as ordered by the CIR would be a "resolution officer."
 - a. The CIR must provide the parties with the names of five individuals qualified to serve as the resolution officer.
 - b. If the parties cannot agree on an individual, each party must alternately strike names. The remaining individual would serve as the resolution officer.
 2. The resolution officer may:
 - a. Determine whether the issues are ready for adjudication;
 - b. Identify for resolution terms and conditions of employment that are in dispute and which were negotiated in good faith but upon which no agreement was reached;
 - c. Accept stipulations;
 - d. Schedule hearings;
 - e. Prescribe rules of conduct for conferences;
 - f. Order additional mediation if necessary;
 - g. Take any other action which may aid in resolution of the industrial dispute; and
 - h. Consult with a party ex parte (without the party present) only with the concurrence of all parties.
 3. The resolution officer must choose the *most reasonable final offer* on each issue in dispute. In making the choice, he/she must consider factors relevant to collective bargaining between public employers and public employees, including comparable rates of pay and conditions of employment, as provided in §48-818(1).
 4. The resolution officer may not apply strict rules of evidence.

5. Persons who are not attorneys may present cases to the resolution officer.
6. If either party to a resolution officer proceeding is dissatisfied with the resolution officer's decision, the party would have the right to file an action with the CIR seeking a determination of terms and conditions of employment, as provided in §48-818(1).
 - a. Such action would not constitute an appeal of the resolution officer's decision, but rather would be heard by the CIR as an action brought under §48-818(1).
 - b. The CIR must resolve all of the issues identified by either party and which were recognized by the resolution officer as an industrial dispute.
7. If parties have not filed with the CIR, the decision of the resolution officer would be deemed final and binding.

Note: LB 397 provides a special definition for "issue" as it relates to the resolution officer proceeding to mean broad subjects of negotiation that are presented to the resolution officer. All aspects of wages are a single issue, all aspects of insurance are a single issue, and all other subjects of negotiations classified in broad categories are single issues.

- D. *Negotiations End.* On or before March 25 of the year preceding the contract year in question or within 25 days after the certification of state aid for the contract year in question, whichever occurs last in time, negotiations, mediation, and factfinding must end.
 1. If an agreement for the contract year in question has not been achieved on or before the date for negotiation, mediation, or factfinding to end, either party may, within 14 days after such date, file a petition with the CIR to resolve the industrial dispute for the contract year in question.
 2. The CIR must render a decision on the industrial dispute on or before September 15 of the contract year in question.
- E. *Continuation Provision.* Any existing collective-bargaining agreement will continue in full force and effect until superseded by further agreement of the parties or by an order of the CIR. The parties may continue to negotiate unresolved issues by mutual agreement while the matter is pending with the commission.
- F. *Execution of Agreement.* All collective-bargaining agreements must be written and executed by representatives of the governing board and representatives of the bargaining unit. The agreement must contain at a minimum the following:
 1. A salary schedule or objective method of determining salaries;
 2. A description of benefits being provided or agreed upon including a specific level of coverage provided in any group insurance plan, a dollar amount, or percentage of premiums to be paid, and by whom; and
 3. A provision that the existing agreement will continue until replaced by a successor agreement or as amended by a final order of the commission.

II. TOTAL COMPENSATION

LB 397 (section 12) provides for computation of total compensation. Under the legislation, when determining total compensation for a school district, ESU, or community college with their certificated and instructional employees, the CIR must consider the employer's contribution to retirement plans and health insurance premiums, premium equivalent payments, or cash equivalent payments and *any other* costs, including Federal Insurance Contributions Act (FICA) contributions, associated with providing such benefits.

III. ARRAY MIDPOINT RANGE

LB 397 (section 13) establishes two array midpoint ranges depending upon whether the economy is in recession.

A. *Normal Economic Times.* When establishing wage rates, the CIR must determine whether the total compensation of the members of the bargaining unit or classification falls within a 98% to 102% range of the array's midpoint.

1. If the total compensation falls within the 98% to 102% range, the CIR must order no change in wage rates.
2. If the total compensation is less than 98% of the midpoint, the CIR must enter an order increasing wage rates to 98% of the midpoint.
3. If the total compensation is more than 102% of the midpoint, the CIR must enter an order decreasing wage rates to 102% of the midpoint.
4. If the total compensation is more than 107% of the midpoint, the CIR must enter an order reducing wage rates to 102% of the midpoint in three equal annual reductions.
5. If the total compensation is less than 93% of the midpoint, the CIR must enter an order increasing wage rates to 98% of the midpoint in three equal annual increases.

B. *Recession Occurrence.* If the CIR finds that the year in dispute occurred during a time of recession, the applicable range will be 95% to 102%. "Recession occurrence" is defined under LB 397 as the two quarters immediately preceding the effective date of the contract term in which net (i) state sales and use tax, (ii) individual income tax, and (iii) corporate income tax receipts are less than the same quarters for the prior year. Each of these receipts shall be rate and base adjusted for state law changes. The Department of Revenue must report and publish such receipts on a quarterly basis.

IV. REPEALED SECTION (SPECIAL MASTER)

Under current law (§48-811.02), an employer school district, ESU, or community college upon agreement of the employee bargaining unit may request the appointment of a special master to determine whether the issues are ready for adjudication, identify for resolution terms and conditions of employment that are in dispute, etc. This section of law has been in effect since 1995. Effective July 1, 2012, this section of law would be outright repealed.

LB 463	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Ashford	Judiciary	Excessive absenteeism	5/12/11

LB 463 revises existing law relevant to juvenile truancy and excessive absenteeism policies and practices.

Excessive Absenteeism: Under current law (§ 79-209), all school districts must have a written policy on excessive absenteeism developed in collaboration with the county attorney of the county in which the principal office of the school district is located. This section of law is applicable to all public and private schools.

Current law provides that the policy must state the number of absences or the hourly equivalent upon the occurrence of which the school will render all services in its power to compel such child to attend some school in an attempt to address the problem of excessive absenteeism. The number of absences in the policy may not exceed five days per quarter or the hourly equivalent. School districts may use excused and unexcused absences for purposes of the policy.

These provisions do not change under LB 463 but an additional provision for the policy is required. LB 463 states that the policy must include a provision indicating how the school district and the county attorney will handle cases in which excessive absences are due to documented illness that makes attendance impossible or impracticable.

Learning Community: LB 463 also changes certain provisions of the Nebraska Learning Community Act. The bill adds authority to a learning community coordinating council to provide funding to public or private entities engaged in the juvenile justice system providing pre-filing and diversion programming designed to reduce excessive absenteeism and unnecessary involvement with the juvenile justice system.

LB 463 also creates a new requirement for all superintendents of any school districts that are members of a learning community. The measure requires the superintendents to develop and participate in a plan by August 1, 2011, to reduce excessive absenteeism including a process to share information regarding at-risk youth with the goal of:

- a. improving educational outcomes,
- b. providing effective interventions that impact risk factors, and
- c. reducing unnecessary penetration deeper into the juvenile justice system.

The bill defines “at risk youth” as children who are:

- under the supervision of the Office of Probation Administration,
- committed to the care, custody, or supervision of the Department of Health and Human Services,
- otherwise involved in the juvenile justice system, OR
- have been absent from school for more than five days per quarter or the hourly equivalent except when excused by school authorities or when a documented illness makes attendance impossible or impracticable.

LB 509	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Retire. Com.	Retirement	7% Rule	various

LB 509 includes a number of technical revisions to the School Employees Plan along with the other state sponsored retirement plans. The bill also incorporates the provisions of LB 486.

Background Information: As introduced, LB 486 would have eliminated the existing 7% Rule with its three exemptions under the School Employees Retirement Plan and replaced it with a 9% Rule with no exemptions. The purpose of LB 486 was to address the unfunded liability created by virtue of the increasing number of retirees applying for one or several exemptions each year.

Currently, that part of a plan member's compensation that exceeds the member's compensation for the preceding year by more than 7% during the 60 months preceding retirement is excluded from the benefit calculation unless one of the three exemptions apply. The exemptions are:

1. Substantial change of employment position or duties,
2. Result of collective bargaining agreement, or
3. District-wide permanent benefit-plan change.

During executive sessions of the Legislature Retirement Committee, several options were considered, one of which was to advance the introduced version of LB 486. Another option was to advance the bill with an 8% cap rather than the proposed 9% cap.

The compromise, which became part of LB 509, creates a 9% cap effective July 1, 2012 and an 8% cap effective July 1, 2013 and thereafter. The exemptions under the current rule would no longer exist as of July 1, 2012.

Technical Cleanup Provisions: Other sections of LB 509 include the technical cleanup provisions offered by the Nebraska Public Employees Retirement Systems (NPERS). The bill makes a number of editorial changes to the five state retirement systems (School, County, State Patrol, State, and Judges) and the Class V Retirement System.

One of the more significant changes under LB 509 is a re-codification effort to place all cost-of-living (COLA) related provisions of each retirement plan into one section of law and to eliminate obsolete language. The bill does not change or alter any existing COLA laws. The technical cleanup provisions neither increases nor diminishes any benefit for current or future retirees.

LB 544	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Pahls	Education	American citizenship/civics	8/27/11

LB 544 amends existing law (§ 79-724) as it pertains to instruction on American citizenship. Under current law, school districts must offer, in at least two grades of every high school, at least three periods per week devoted to the teaching of civics, during which courses with specific attention to:

1. The United States Constitution and the Constitution of Nebraska;
2. The benefits and advantages of our form of government and the dangers and fallacies of Nazism, Communism, and similar ideologies; and
3. The duties of citizenship.

LB 544 expands the third provision, relating to the duties of citizenship, to include active participation in the improvement of a citizen's community, state, country, and world and the value and practice of civil discourse between opposing interests.

LB 558	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Nordquist	Education	Focus schools/programs	8/27/11

LB 558 amends current law relating to focus schools, focus programs and magnet schools established by school districts in a learning community. The bill clarifies that one or more school districts collaborating on a focus program, focus school or magnet school that is part of a diversity plan of the learning community will be eligible for a focus school and program allowance.

The bill also repeals provisions requiring one school district to be the primary district when multiple districts collaborate on focus schools, focus programs or magnet schools. It requires school districts collaborating on a focus program or school or magnet school to form a joint entity pursuant to the Interlocal Cooperation Act to administer the program or school.

LB 575	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Cornett	Education	Military children education	7/1/12

With the passage of LB 575, Nebraska joined over 30 other states in adopting the *Interstate Compact on Educational Opportunity for Military Children* to ease the transition for students and to ensure that there are no barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents. Developed by the Council of State Governments, education experts and the Defense Department, the Compact on Education Transition for Military Children addresses common problems that affect military students as a result of frequent moves and deployments.

LB 575 creates the Military Children Educational Opportunity Act with the purpose to remove barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents by:

- Facilitating the timely enrollment of children of military families and ensuring that they are not placed at a disadvantage due to difficulty in the transfer of education records from the previous school district or variations in entrance or age requirements;
- Facilitating the student placement process through which children of military families are not disadvantaged by variations in attendance requirements, scheduling, sequencing, grading, course content, or assessment;

- Facilitating the qualification and eligibility for enrollment, educational programs, and participation in extracurricular academic, athletic, and social activities;
- Facilitating the on-time graduation of children of military families;
- Providing for the uniform collection and sharing of information between and among schools and military families under the act; and
- Promoting flexibility and cooperation between the educational system, parents, and the student in order to achieve educational success for the student.

LB 575 enacts the *Compact* and thereby makes Nebraska a member of an Interstate Commission responsible for administering the compact. The Interstate Commission may collect an annual assessment from each member state to cover the cost of operations and activities of the Interstate Commission and its staff.

Member states are required to establish a state council. LB 575 establishes a six member State Council on Educational Opportunity for Military Children within the Nebraska Department of Education (NDE). Members of the council are eligible for the reimbursement of expenses. The council is to appoint a military family education liaison to assist families and the state in implementing the compact.

NDE is required to provide staff support for the council. The deputy commissioner of education is to serve as the compact commissioner and is to administer the state’s participation in the compact.

The bill provides for NDE to accept donations to pay for any or all costs of administering the bill. It also provides an appropriation of \$27,200 from the Education Innovation Fund to fund the Interstate Compact in FY2012-13. The operative date of the bill is July 1, 2012.

LB 591	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Gloor	Health	Syndromic surveillance	8/27/11

LB 591 requires the Department of Health and Human Services (HHS) to develop a syndromic surveillance program. Syndromic surveillance relates to the analysis of medical data to detect or anticipate disease outbreaks. The bill provides that the syndromic surveillance program must include the monitoring, detection and investigation of public health threats from:

- Intentional or accidental use or misuse of chemical, biological, radiological, or nuclear agents;
- Clusters or outbreaks of infectious or communicable diseases; and
- Noninfectious causes of illness.

The bill provides that HHS will set standards for syndromic surveillance reporting required by hospitals, specifying the data elements required. Other health care facilities, or any person issued a credential by HHS, may be required to report under the program as determined by the department. The department must establish a schedule for implementation of full electronic

reporting of all syndromic surveillance data elements. The schedule must take into account the data elements reported, capacity of the facility, funding available, improved efficiencies and benefits, and other relevant factors.

LB 591 also requires HHS to establish an immunization information system for the purpose of providing a central database of immunization information. Immunization information may be exchanged between the following individuals and entities for the purpose of protecting the public health by facilitating immunizations to minimize the risk of vaccine preventable diseases:

- health care professionals,
- health care facilities,
- health care services,
- schools,
- postsecondary education institutions,
- licensed child care facilities,
- electronic health-record systems,
- public health departments,
- health departments of other states, and
- Indian health services and tribes

The department must promulgate rules and regulations regarding procedures and methods for, and limitations on, access to, and security and confidentiality of, the immunization information. Access to immunization information, according to rules and regulations developed by HHS, must be for the purposes of directing patient care, public health activities or enrollment in school or child care services.

LB 617	<i>Sponsor</i>	<i>Committee</i>	<i>Description</i>	<i>Effective Date</i>
	Mello	Executive Board	Agency rules/regulations	5/25/11

LB 617 requires that agency rules and regulations be adopted and promulgated within one year after the public hearing required under section 84-907. This section of law requires a public hearing to be held on rules and regulations within 12 months of the passage of the bill for which the rule and regulation is required.

LB 617 also requires that annually on or before July 1, each agency must provide to the Legislative Performance Audit Committee a status report on all rules and regulations pending before the agency that have not been adopted and promulgated. If an additional appropriation was made with respect to legislation enacted to provide funding for or additional staff to implement a program for which rules and regulations are required to be adopted, the status report must include what the funding has been used for and what functions the staff have been performing while such rules and regulations are pending.

Interim Studies, 2011

EDUCATION COMMITTEE

LR 211 (Education Committee) Interim study to examine the offering of elementary and secondary courses and high school diplomas through electronic means

Purpose: To study the offering of elementary and secondary courses and high school diplomas through electronic means in Nebraska by monitoring the cooperative efforts of educational service units, school districts, the State Department of Education, and the University of Nebraska in expanding and enhancing opportunities for students to access such courses and to earn high school diplomas through electronic means. The committee may also develop legislation to facilitate the expansion and enhancement of such offerings utilizing existing resources.

LR 239 (Fischer) Interim study to examine public school finance, particularly the Tax Equity and Educational Opportunities Support Act (TEEOSA)

Purpose: The purpose of this interim study is to examine public school finance, particularly the Tax Equity and Educational Opportunities Support Act (TEEOSA), to determine potential revisions of this funding method or to determine if a new formula needs to be implemented. Since the inception of TEEOSA in 1990, the educational landscape in Nebraska has continued to evolve. Small school districts and large school districts have increasingly different needs. The number of nonequalized districts has doubled over the last five years to equal thirty-seven percent of Nebraska's school districts. The study shall include, but not be limited to:

- (1) An examination of the role of property taxes in funding public school education;
- (2) An examination of what level of funding is sufficient to meet state accreditation standards and fund essential educational opportunities in each school district in the state;
- (3) An examination of the stability of the current funding mechanism and its sustainability into the future;
- (4) A review of the appropriate mechanisms to address the uniqueness of Nebraska school districts;
- (5) An identification of resource measurements for school district accountability in the use of state funds for education; and
- (6) An examination of how to create a formula that meets statutory expectations but is also pragmatic and understandable.

LR 265 (Mello) Interim study to examine the feasibility of implementing a Career Readiness Certificate program

Purpose: The purpose of this interim study is to examine the feasibility of implementing

a Career Readiness Certificate program for the State of Nebraska. This study shall include:

- (1) An examination of existing credentialed career readiness, jobtraining, and workforce development programs;
- (2) An assessment of the costs to develop, implement, and administer a Career Readiness Certificate program;
- (3) A review of potential state and local funding sources for the administration of the program; and
- (4) A review of credentialed career readiness, job-training, and workforce development programs used in other states to implement a Career Readiness Certificate program.

LR 320 (Adams) Interim study to examine the funding of public elementary and secondary education

Purpose: To study the funding of public elementary and secondary education in Nebraska.

RETIREMENT COMMITTEE

LR 210 (Retirement Committee) Interim study to examine the public employees retirement systems administered by the Public Employees Retirement Board

Purpose: The purpose of this study is to examine the public employees retirement systems administered by the Public Employees Retirement Board, including the State Employees Retirement System of the State of Nebraska, the Retirement System for Nebraska Counties, the School Employees Retirement System of the State of Nebraska, the Nebraska State Patrol Retirement System, and the Nebraska Judges Retirement System. The committee may also examine the Class V School Employees Retirement System administered under the Class V School Employees Retirement Act. The committee shall examine issues as they relate to the funding needs, benefits, contributions, and administration of each retirement system.

LR 215 (Retirement Committee) Interim study to examine issues relating to defined benefit plans of political subdivisions

Purpose: The purpose of this interim study is to examine issues related to defined benefit plans of political subdivisions.

LR 262 (Louden) Interim study to examine the effects of imposing an earning cap on the calculation of a final pensionable salary for school employees

Purpose: To examine the effects of imposing an earning cap on the calculation of a final pensionable salary for school employees.

GOVERNMENT, MILITARY & VETERAN AFFAIRS COMMITTEE

LR 224 (Mello) Interim study to examine issues surrounding energy financing contracts, also known as energy savings performance contracts

Purpose: The purpose of this interim study is to examine issues surrounding energy financing contracts (EFCs), also known as energy savings performance contracts. The issues addressed by this interim study shall include, but not be limited to:

- (1) A review of the statutory authority granted to state agencies and political subdivisions to enter into EFCs in sections 66-1062 to 66-1066;
- (2) A review of the use of EFCs by state agencies and political subdivisions since 1998; and
- (3) An examination of the potential cost savings available to state agencies and political subdivisions through EFCs as compared to other available energy conservation financing mechanisms.

BUSINESS AND LABOR COMMITTEE

LR 216 (Smith) Interim study to examine public employee contracts entered into pursuant to collective bargaining and benefits for public officials

Purpose: The purpose of this resolution is to study public employee contracts entered into pursuant to collective bargaining and benefits for public officials. For purposes of this resolution, public employee has the same meaning as in section 49-1442, and public official has the same meaning as in section 49-1443. The study shall include the following:

- (1) An examination of benefits, including wages, pension, retirement, and health insurance benefits;
- (2) An examination of employee and employer contributions to pension, retirement, and health insurance plans;
- (3) An examination of minimum and mandatory retirement age and purchase of service provisions; and
- (4) An examination of the total costs associated with benefit packages.

LR 266 (Mello) Interim study to examine the feasibility of creating regional skills alliances, in which employers, government agencies, educational institutions, and labor unions pool resources to train workers for emerging region-wide job opportunities

Purpose: The purpose of this interim study is to examine the feasibility of creating regional skills alliances, in which employers, state and local government agencies, educational institutions, and labor unions pool resources to train workers for emerging

region-wide job opportunities. This study shall include:

- (1) An examination of existing state and local job-training and workforce development programs;
- (2) A review of regional skills alliances that have been developed in other states;
- (3) An assessment of potential costs to the state to develop, implement, and administer a statewide regional skill alliance program; and
- (4) A review of potential state and local funding sources for the administration of the program.

TRANSPORTATION AND TELECOMMUNICATIONS COMMITTEE

LR 292 (Howard) Interim study to examine cellular phone related safety issues in construction and school zones

Purpose: The purpose of this interim study is to examine cellular phone related safety issues in construction and school zones. The committee shall conduct a study that includes, but is not limited to:

- (1) The dangers of cellular phone usage in school and construction zones;
- (2) The efficacy of current Nebraska statutes to address such safety concerns in school and construction zones; and
- (3) Legislative actions taken by other states to address such safety concerns in school and construction zones.