

Nebraska Council of School Administrators

NCSA Final Legislative Report

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I. Legislation Passed and Signed into Law

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LB 83	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Pansing Brooks	Business/Labor	Wages/sex discrimination	7/21/2016

LB 83 amends laws relating to wages and sex discrimination to apply to any employer with two or more employees. The current law applies to employers with 15 or more employees.

LB 190	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Bloomfield	Judiciary	Concealed handgun permits	7/21/2016

Currently, if a concealed handgun permit applicant is a member of the United States Armed Forces, then he or she is considered a resident of this state after he or she has been stationed at a military installation in this state even though he or she maintains a residence in another state. This bill would expand this provision to spouses.

LB 447	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Mello	Retirement	Change and provide provisions relating to retirement benefits and plans	3/31/2016

LB 447 was a carryover bill from the 2015 Session and became a “shell” bill for various retirement-related provisions in the 2016 Session. A special public hearing was held for AM1815 to LB 447 on January 25, 2016. AM1815 struck the original language in LB 447 and inserted the provisions of LB 448 as advanced by the Retirement Committee in 2015 along with other pieces of legislation introduced in the 2016 Session.

As amended and passed into law, LB 447 relates primarily to the School Employees Plan and the Class V (OPS) School Employees Retirement Plan.

The provisions of LB 447 include the following:

- Benefit changes for new OPS employees hired on or after July 1, 2016:
 - Eliminates the State Service Annuity paid by the State;
 - Eliminates the medical cost-of-living-adjustment; and
 - Retirement benefits are unreduced at age 65 rather than age 62.
- Benefit changes for School Employees Retirement Plan members:
 - Beginning on the effective date of the act, a member receiving a disability retirement benefit may no longer work up to 20 hours a week while receiving the disability benefit; and
 - Employees hired on or after July 1, 2016 will no longer be able to vest at age 65 with half year of service credit.

LB 447 makes structural and governance changes to the OPS Plan board of trustees as follows:

- The Omaha School Employees Retirement System (OSERS) staff will be under the control of the board of trustees rather than the board of education;

- The board of trustees appoints the OSERS administrator; the board of education votes to approve or disapprove the appointee;
- The board of trustees oversees the administrator and OSERS staff rather than the board of education;
- The board of trustees may contract for services with a legal advisor;
- The board of trustees contracts with the actuary for OSERS rather than the board of education however, the selection of the actuary is approved by the board of education;
- The board of trustees no longer makes a recommendation to the board of education regarding the district contribution to the OSERS plan -- only the actuary makes a recommendation to the board of education;
- A definition of “solvency” is added for purposes of determining the actuarially required contribution paid by the board of education;
- The audit year is changed to calendar year, except in 2016, the audit year is a 4 month year -- the audit year is used for preparation of the OSERS actuarial report and financial audit;
- The board of trustees continues to administer the payment of pensions;
- The authority to invest OSERS funds and to select banks and custodial arrangements for the OSERS plan investments is transferred to the Nebraska Investment Council, the state investment officer, and the State Treasurer;
- The OSERS administrator serves as an ex officio non-voting member of the Nebraska Investment Council; and
- The state investment officer is required to submit quarterly reports to the board of trustees regarding the assets of the OSERS retirement system and related costs, fees, and expenses.

LB 447 makes the following state funding changes:

- The state-funded State Service Annuity is eliminated for new Class V School Employee Retirement Plan members hired on or after July 1, 2016;
- Beginning July 1, 2016, if the School Employees Retirement Plan has an actuarially required contribution (ARC) and the state appropriates money for the ARC and if the OSERS Plan has an ARC then the school district may request a public hearing before the Appropriations Committee to request additional state funding to pay its ARC.
- If the Appropriations Committee recommends payment of the additional funding and the Legislature approves the additional requested funding, then the School Plan ARC will be computed as a percent of payroll and the state will contribute to OSERS the lesser of the same percent of payroll that was paid to the School Plan or the percent of OSERS members’ compensation needed to meet the ARC for the OSERS Plan.

LB 447, as passed, includes the provisions from the following separately introduced pieces of legislation:

- LB 805 -- amends section 13-2402 to require each political subdivision that has a defined benefit plan to conduct an actuarial experience study at least every four years.

- LB 922 -- adjusts the terms so that no more than two Public Employee Retirement Board (PERB) members would be appointed or reappointed in any one year. It also clarifies that if a PERB member's position is vacated during the term, the member's replacement would at least initially, only be appointed to serve the remaining term. Following expiration of the remaining term, the replacement or another member would be appointed or reappointed for the normal five-year term.
- LB 986 -- adds new duties for the Nebraska Public Employees Retirement Systems' (NPERS) Executive Director, the PERB, and the actuary:
 - Experience studies must be conducted at least every 4 years or at the request of the Retirement Committee;
 - The executive director of NPERS is required to provide the first draft and final draft copies of the annual valuation reports (Judges, State Patrol, Schools, State, County) and the experience study to the Retirement Committee and Governor as soon as the drafts are received from the actuary;
 - The above mentioned drafts are considered confidential documents and are exempt from the provisions of the Public Records Act;
 - The actuary is required to present the experience study to the Retirement Committee within 30 business days following presentation to the PERB; and
 - The PERB is required to submit a written explanation to the Retirement Committee within 10 business days of its decision if it does not adopt one or more of the recommendations in the experience study.

LB 710	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Hughes	Judiciary	Change provisions relating to hazing	7/21/2016

Current statute defines hazing as any activity by which a person intentionally or recklessly endangers the physical or mental health or safety of an individual for the purpose of initiation into, admission into, affiliation with or continued membership with any organization. Hazing committed by postsecondary students currently is prohibited.

LB 710 extends the existing prohibition to include all primary and secondary school students.

The bill includes in the definition of hazing:

- (i) acts of sexual penetration,
- (ii) exposure of genitals,
- (iii) lewd fondling and caressing of another person, and
- (iv) coercing another person to commit an act of public indecency.

A person found to have committed an act of hazing would be guilty of a Class II misdemeanor, which carries a maximum penalty of six months in jail, a \$1,000 fine or both.

LB 746	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Campbell	Health	Children in the foster care system	4/19/2016

LB 746 sets forth requirements for children in the foster care system to engage in age and developmentally appropriate activities and for the reasonable and prudent parent standard to be used to make the decision on allowing a child to participate. The bill also requires children who are aging out of foster care or the Bridge to Independence Program to be given specific information such as a copy of their medical records, a driver's license or identification card, education records, a credit report, a list of community resources, contact information for family members, and community resources the young adult may need.

The bill as amended extends the Nebraska Children's Commission through June 30, 2019. The Commission is scheduled to sunset on June 30, 2016. This bill directs the Commission to develop a system of care plan from preventative through treatment services for the child welfare system based on relevant data and evidence-based practices.

LB 790	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Kolterman	Retirement	To alphabetize defined terms under various retirement statutes	7/21/2016

LB 790 re-orders the definitions in the definition sections so they are in alphabetical order in the First Class City Police Officers Retirement Act, the Judges Retirement Act, the School Employees Retirement Act, and the Class V School Employees Retirement Act. It also changes internal references in the School Employees Retirement Act as a result of the renumbering in the definition section.

LB 814	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Friesen	Transportation	Change a requirement for issuance of a school permit	7/21/2016

LB 814 eliminates the requirement that an applicant for a school permit must live at least 1.5 miles or more from school to be eligible for a permit. Applicants still must reside or attend school outside a metropolitan, primary or first class city.

In 2015, the Department of Motor Vehicles (DMV) reported that there were 4,242 school permits issued. DMV estimates that the change could increase the number of permits by 25% per year or an estimated 1,061.

LB 821	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Larson	Business/Labor	Creates the Workplace Privacy Act	7/21/2016

LB 821 creates the Workplace Privacy Act, which would apply to all private and public employers. The legislation prohibits an employer from:

- (1) Requiring or requesting that an employee or applicant provide or disclose any user name or password or any other related account information in order to gain access to the employee's or applicant's personal Internet account by way of an electronic communication device;
- (2) Requiring or requesting that an employee or applicant log into a personal Internet account by way of an electronic communication device in the presence of the employer in a manner that enables the employer to observe the contents of the employee's or applicant's personal Internet account or provides the employer access to the employee's or applicant's personal Internet account;
- (3) Requiring an employee or applicant to add anyone, including the employer, to the list of contacts associated with the employee's or applicant's personal Internet account or require or otherwise coerce an employee or applicant to change the settings on the employee's or applicant's personal Internet account which affects the ability of others to view the content of such account; or
- (4) Taking adverse action against, fail to hire, or otherwise penalize an employee or applicant for failure to provide or disclose any of the information or to take any of the actions specified above.

The bill also prohibits an employer from requiring an employee or applicant to waive or limit any protection granted under the Act as a condition of continued employment or of applying for or receiving an offer of employment. Any agreement to waive any right or protection under the act is against the public policy of this state and would be considered void and unenforceable.

The bill further prohibits an employer from retaliating or discriminating against an employee or applicant because the employee or applicant:

- (1) Files a complaint under the Workplace Privacy Act; or
- (2) Testifies, assists, or participates in an investigation, proceeding, or action concerning a violation of the Act.

The bill prohibits an employee from downloading or transferring an employer's private proprietary information or private financial data to a personal Internet account without authorization from the employer. This would not apply if the proprietary information or the financial data is otherwise disclosed by the employer to the public under other provisions of law or practice.

The Act expressly provides no limitation on an employer's right to:

- (1) Promulgate and maintain lawful workplace policies governing the use of the employer's electronic equipment, including policies regarding Internet use and personal Internet account use;
- (2) Request or require an employee or applicant to disclose access information to the employer to gain access to or operate:

- (a) An electronic communication device supplied by or paid for in whole or in part by the employer; or
- (b) An account or service provided by the employer, obtained by virtue of the employee's employment relationship with the employer, or used for the employer's business purposes;
- (3) Restrict or prohibit an employee's access to certain web sites while using an electronic communication device supplied by or paid for in whole or in part by the employer or while using an employer's network or resources, to the extent permissible under applicable laws;
- (4) Monitor, review, access, or block electronic data stored on an electronic communication device supplied by or paid for in whole or in part by the employer or stored on an employer's network, to the extent permissible under applicable laws;
- (5) Access information about an employee or applicant that is in the public domain or is otherwise obtained in compliance with the Workplace Privacy Act;
- (6) Conduct an investigation or require an employee to cooperate in an investigation under any of the following circumstances:
 - (a) If the employer has specific information about potentially wrongful activity taking place on the employee's personal Internet account, for the purpose of ensuring compliance with applicable laws, regulatory requirements, or prohibitions against work-related employee misconduct; or
 - (b) If the employer has specific information about an unauthorized download or transfer of the employer's private proprietary information, private financial data, or other confidential information to an employee's personal Internet account;
- (7) Take adverse action against an employee for downloading or transferring an employer's private proprietary information or private financial data to a personal Internet account without the employer's authorization;
- (8) Comply with requirements to screen employees or applicants before hiring or to monitor or retain employee communications that are established by state or federal law or by a self-regulatory organization as defined in federal law; or
- (9) Comply with a law enforcement investigation conducted by a law enforcement agency.

The Act does not create a duty for an employer to search or monitor the activity of a personal Internet account. And an employer is not liable under the Act for failure to request or require that an employee or applicant grant access to, allow observation of, or disclose information that allows access to or observation of the employee's or applicant's personal Internet account.

If an employer inadvertently learns the user name, password, or other means of access to an employee's or applicant's personal Internet account through the use of otherwise lawful technology that monitors the employer's computer network or employer-provided electronic communication devices for service quality or security purposes, the employer is not liable for obtaining the information, but the employer may not use the information to access the

employee's or applicant's personal Internet account or share the information with anyone. The employer must delete such information as soon as practicable.

Upon violation of the Act, an aggrieved employee or applicant may, in addition to any other available remedy, institute a civil action within one year after the date of the alleged violation or the discovery of the alleged violation, whichever is later. The employee or applicant must file an action directly in the district court of the county where such alleged violation occurred. The district court must docket and try the case as any other civil action, and any successful complainant must be entitled to appropriate relief, including temporary or permanent injunctive relief, general and special damages, reasonable attorney's fees, and costs.

The bill defines:

- (1) "Adverse action" as the discharge of an employee, a threat against an employee, or any other act against an employee that negatively affects the employee's employment;
- (2) "Applicant" as a prospective employee applying for employment;
- (3) "Electronic communication device" as a cellular telephone, personal digital assistant, electronic device with mobile data access, laptop computer, pager, broadband personal communication device, two-way messaging device, electronic game, or portable computing device;
- (4) "Personal Internet account" as an individual's online account that requires login information in order to access or control the account. Personal Internet account does not include: (i) An online account that an employer or educational institution supplies or pays for, except when the employer or educational institution pays only for additional features or enhancements to the online account; or (ii) An online account that is used exclusively for a business purpose of the employer.

LB 876	<i>Sponsor</i> Murante	<i>Committee</i> Government	<i>Subject</i> Authorize electronic voting devices for public bodies in public meetings	<i>Operative</i> 7/21/2016
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LB 876 amends the Open Meetings Act (§ 84-1413) to allow all public bodies to comply with the requirements for a roll call vote in public meetings through the use of electronic voting devices.

LB 881	<i>Sponsor</i> Schilz	<i>Committee</i> Natural Resources	<i>Subject</i> Energy financing contracts	<i>Operative</i> 7/21/2016
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LB 881 expands the use of energy financing contracts for participating governmental units to finance new equipment in new facilities that reduce wastewater, energy or consumption and to allow an engineer's review to be based on operational savings, capital savings or revenue enhancement outcomes. The bill would also clarify that a performance bond cover the cost of implementation, installation, or construction of the energy conservation measures under the contract.

LB 930	<i>Sponsor</i> Scheer	<i>Committee</i> Education	<i>Subject</i> College admission tests for 11 th grade students	<i>Operative</i> 7/21/2016
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LB 930 requires 11th grade students to take a college admission test rather than the NeSA assessment. The legislation, as passed, states that the new testing requirement would begin not later than the 2017-18 school year.

The bill requires NDE to pay the costs of administering a standard college admission test to students in the 11th grade who attend a public school. LB 930 provides that a portion of the lottery funds allocated to NDE for competitive grants may be used to pay for the costs of the college admission test in FY2017-18 only. The bill also eliminates the current statewide writing assessment that is given in three grades and requires that the statewide reading assessment include a component of writing beginning in FY2017-18.

LB 959	<i>Sponsor</i> Sullivan	<i>Committee</i> Education	<i>Subject</i> Change TEEOSA relating to minimum levy adjustment and averaging adjustment and school district bonding authority	<i>Operative</i> 4/19/2016
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LB 959 provides changes to the Tax Equity and Educational Opportunities Support Act (TEEOSA). The provisions of the bill take effect for state aid distributed beginning in FY2017-18. LB 959 also changes provisions related to certain bonded projects of school districts.

Changes in Needs Calculation: The bill changes a component used to calculate school district needs in the state aid formula.

Averaging Adjustment: The levy criteria used in the averaging adjustment in the formula are eliminated beginning in FY2017-18. The averaging adjustment increases need for districts with 900 or more formula students whose basic funding per student is less than an averaging adjustment threshold. Elimination of the averaging adjustment levy criteria affects the aid of three districts and results in an estimated increase in state aid of \$324,569 in FY2018.

Changes in Resources Calculation: LB 959 eliminates an adjustment used to compute resources in the state aid formula.

Minimum Levy Adjustment: The minimum levy adjustment is eliminated in FY2018. The adjustment reduces aid for any school with a general fund levy that is less than 95¢. The elimination of the adjustment increases state aid by an estimated \$8,253,957 in FY2017-18.

Property Tax Levies for Bonded Projects: The bill repeals current provisions allowing school districts to issue bonds referred to as Qualified Purpose Undertaking Fund bonds for certain capital projects as specified in law. School districts are currently allowed to levy up to 5.2¢ for these projects.

Projects currently funded with these bonds are not impacted by the bill.

The bill repeals current provisions regarding the issuance of bonds for these projects and provides authorization for districts to levy an additional property tax for a specific abatement project to address an actual or potential environmental hazard, accessibility barrier, life safety code or hazard, or mold. The property tax levy may not exceed 10 years and when combined with other levies, for projects from prior years, may not exceed 3¢.

The bill provides that districts may exceed the 3¢ levy when: (a) the taxable valuation of the district is lower than the taxable valuation in the year in which the district last issued bonds and (b) the maximum levy is insufficient to meet the combined annual principle and interest obligations for all bonds issued.

LB 1002	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Baker	Education	Permit ESU boards to pay membership dues to associations of school boards	7/21/2016

Section 79-512 states that the school board or board of education in this state may pay from its school funds an amount to be determined by the board for membership dues in associations of school boards or boards of education.

LB 1002 would apply the same provision to boards of educational service units.

LB 1033	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Campbell	Health	Develop plan for placing persons with disabilities in proper settings	4/19/2016

LB 1033 requires the Department of Health and Human Services (DHHS) to develop a comprehensive strategic plan for placing qualified persons with disabilities in the most integrated community-based settings. DHHS is required to convene a team of persons from the six divisions of the agency to assess components of the strategic plan; consult with other state agencies, including NDE, that serve persons with disabilities; and, appoint an advisory committee to assist in reviewing and developing the plan. The advisory committee is required to have at least 15 members as specified by the bill.

LB 1039	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Coash	Health	Definition of intellectual disabilities	7/21/2016

LB 1039 updates the current definition of “Intellectual Disabilities” to provide clarity and consistency to how the term is defined in statute. This bill also modernizes the clinical language used to better reflect accepted best practices.

Under the legislation, “intellectual disability” would mean a state of significantly subaverage general intellectual functioning which is associated with significant impairments in adaptive functioning manifested before the age of 22 years. Significant subaverage general intellectual functioning shall refer to a score of seventy or below on a properly administered and valid intelligence quotient test.

LB 1066	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Sullivan	Education	Change provisions relating to education	7/21/2016

LB 1066 represents the annual omnibus “technical” cleanup bill for P-12 education. As advanced, passed, and signed into law, the bill also incorporates some substantive provisions.

LB 1066, as amended, incorporates provisions of LB 1004 and LB 1065 pertaining to the federal Community Eligibility Provision. The bill redefines free lunch and free milk students for purposes of TEEOSA to include students who are provided free meals pursuant to the Community Eligibility Provision (CEP). This provision is an option in the federal National School Lunch and Breakfast Programs for school districts to offer free meals to all students in high poverty schools.

The bill provides for free lunch and free milk students to equal 110% of the students qualified for free meals in a district multiplied by the identified student percentage pursuant to the federal Community Eligibility Provision. The identified federal percentage is the percentage of students that are eligible for free meals due to their participation in other programs such as Supplemental Nutrition Assistance, HeadStart, etc. LB 1066 provides that the calculated number of students shall not be less than that of the prior year when the school was not a CEP school. It also provides that the calculation for state aid purposes cannot exceed 100% of the students qualified for free meals in the district per the CEP. The number of free lunch and free milk students is used to calculate the poverty allowance in the TEEOSA formula. The new definition is effective beginning with aid distributed in FY2017-18.

- *Community Eligibility Provision:* Schools eligible for the CEP must have at least 40% of the students identified as poverty students in order to participate. Some school districts in the state are currently weighing the possibility of applying for CEP. Four districts are currently in the program (Santee, Umo^NHo^NNation, Walthill, Nelson-Mandela) and Omaha Public Schools is piloting the option in six elementary schools this semester according to NDE.
- *Poverty Allowance:* LB 1066 increases by 10% the number of free lunch students which are used in to calculate the poverty allowance in the state aid formula for districts providing free meals to students pursuant to the CEP. NDE indicates the 10% increase to reflect students participating in the CEP should have minimal impact on the calculation of the poverty allowance in the formula because it appears to mirror the number of students who actually qualified for free lunch or milk programs in the past prior to the district transitioning to the community eligibility provision.
- *Promotion of the CEP:* It is assumed that NDE has sufficient staff and resources to provide information and assistance to school districts regarding the option to provide free

meals pursuant to the CEP, so, no fiscal impact is anticipated from this requirement in the bill.

LB 1066, as passed, also adds an exclusion to the budget limitation for federal impact aid received by a district due to children in a district residing on Indian lands. The exclusion to the budget limitation will allow four school districts in the state to increase spending by the amount of impact aid received in a fiscal year.

LB 1067	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Sullivan	Education	Change provisions relating to learning communities and funding for education	7/21/2016

LB 1067 pertains to the learning community, which includes eleven school districts in Douglas and Sarpy counties. As amended, passed, and signed into law, the bill:

- Repeals the common levy and special building fund levy authorized for school districts in the learning community;
- Eliminates the calculation of state aid to schools on a collective basis for school districts in the learning community;
- Modifies the TEEOSA formula to include community achievement plan aid and learning community transition aid; and
- Changes the calculation of net option funding and allocated income taxes in the formula.

Repeal of Common Levy: LB 1067 repeals the common 95¢ levy for school districts that are members of a learning community effective July 1, 2017. The common levy is currently allocated among member districts proportionally based upon the difference of the district's formula need less the sum of state aid and other actual receipts. The repeal allows each district to levy an individual levy and receive the amount of property taxes collected per the valuation of the district.

Repeal of Special Building Fund Levy: LB 1067 also repeals the authorization for a special building funds levy (maximum of 2¢) for the learning community on July 1, 2017. Taxes received from the levy are distributed proportionately to member school districts based on formula students.

Change in Calculation of State Aid (TEEOSA):

- ***Repeal of Shared Aid in the Learning Community:*** Currently, state aid for the eleven school districts in Sarpy/Douglas counties in the learning community is calculated collectively. The combined formula needs of all the districts in the learning community are compared to the combined formula resources of all districts in the learning community to determine the amount of equalization aid for the school districts in the learning community. Each school district receives a proportional share of equalization aid based upon its share of total formula needs. Beginning in FY2017-18, the repeal of the pooling concept for state aid for the learning community will increase state aid to schools by about \$4.9 million.

- *Community Achievement Plan Aid:* LB 1067 adds community achievement plan aid in the TEEOSA formula for districts that are members of the learning community beginning in FY2017-18. The aid is equal to .4643% of the statewide average general fund operating expenditures per formula student taken times the total formula students for schools in the learning community. The estimated amount of community achievement plan aid for districts in the learning community is \$5.7 million in FY2018, \$6 million in FY2019 and \$6.2 million in FY2020.

The aid is divided proportionately among the districts based on the sum of:

- 2% of the poverty allowance;
- 2% of the limited English proficiency allowance; and
- for districts with greater than 40% poverty students, an amount equal to the statewide average general fund operating expenditures per formula student times 3% and then multiplied by the difference of the poverty students minus 40% of the formula students.

The aid is included as an adjustment for the first two fiscal years of the achievement plan and thereafter the adjustment becomes an allowance in the formula. The aid is considered to be a resource for state aid purposes.

In order to receive community achievement plan aid, a plan must be submitted by the learning community coordinating council to the State Department of Education on or before January 1, 2017 for plans to be implemented in FY2018. The plans are to be approved by the State Board of Education. If the plan is not approved for schools in the learning community prior to September 1, 2017, then the aid will be removed for the final calculation of state aid for the fiscal year.

- *Learning Community Transition Aid:* Several school districts that are members of the learning community will receive learning community transition aid in FY2017-18 and FY2018-19. The aid calculation required by the bill is phased-in over the two-year period at 50% in the first year and 25% in the second year. Learning community transition aid is not a resource for state aid purposes.

LB 1067 provides that learning community transition aid will be paid with funds from the Nebraska Education Improvement Fund (lottery). The use of lottery proceeds for transition aid will reduce funding available for expanded learning opportunity grants, competitive innovation grants, community college gap assistance, excellence in teaching loans, distance education incentives, and Nebraska opportunity grants. It is estimated transition aid will total \$1.1 million in FY2018 and \$567,000 in FY2019.

Net Option/Income Tax Rebate Changes: The state aid formula currently caps the amount of funding that is allocated for net option and allocated income taxes at about \$102 million. The formula provides that the amount of net option funding required for districts is subtracted from the cap amount and the amount remaining is allocated to districts as allocated income tax funds.

LB 1067 changes these provisions and has a net fiscal impact as follows:

- *Conversion of Open Enrollment Students to Option Students in the Learning Community:* The bill provides that students in the learning community who are enrolled outside their resident district through the open enrollment program will become option enrollment students in FY2017. The change increases the amount of funding required for the net option program. The increase in funding for the net option program reduces the amount of funds that can be allocated as allocated income taxes. An increase in aid for option students results in a decrease in allocated income taxes for all school districts in the state. The interaction of these two components of the formula reduces overall aid by about \$4.7 million per year.
- *Eliminate the Cap on Net Option/Allocated Income Taxes and Change the Income Tax Rebate:* LB 1067 eliminates the \$102 million cap on the total amount of net option and allocated income taxes components of the formula. The bill provides for allocated income taxes for a district to be 2.23% of the income tax liability of a district. This change alleviates the reduction in allocated income taxes for districts in the state that results if the cap is maintained. The allocation percentage allows the amount of allocated income taxes in the formula to change each year in the future. The estimated impact of the change is \$7.5 million in FY2018, \$9.6 million in FY2019 and \$11.7 million of additional aid as allocated income taxes in FY2020.
- *Net Fiscal Impact of Option/ Income Tax Changes:* The estimated net fiscal impact of the changes in net option funding and the income tax rebate is \$2.8 million in FY2018, \$4.8 million in FY2019 and \$7 million in FY2020.

Required Transportation for Open Enrollment Students: The bill requires option school districts to continue to provide free transportation for a student in the open enrollment program until the student leaves the school building. At some point in the future, as students currently enrolled in the open enrollment program graduate or move to different school buildings, transportation for schools in the learning community will be reduced. Transportation costs for open enrollment students are estimated to total about \$4.6 million beginning in FY2017. Any changes in school spending impact the amount of state aid distributed two years later. Accordingly, decreased transportation expenditures by members of the learning community may impact state aid beginning in FY2019.

NDE Responsibilities: LB 1067 requires the NDE student achievement coordinator or other department staff to review community achievement plans. Plans are required to be submitted by the Learning Community Coordinating Council for school districts that are members of the learning community on or before January 1, 2017 for school fiscal year 2017-18. Plans are to be reviewed by February 15th so they can be revised prior to submission to the State Board of Education for approval at the board's April meeting. Approved plans are in effect for three years. Reports are to be submitted regarding the success of the plans after the first two years and every three years thereafter.

ESU Coordinating Council: Membership on the ESU Coordinating Council is increased to include one non-voting administrator from each learning community beginning July 1, 2017.

Summary: The estimated fiscal impact of the bill in terms of state aid is as follows for FY2018 through FY2020. The increase in lottery funds for transition aid is offset by a reduction in the use of lottery funds for other purposes.

Summary, LB 1067

TEEOSA Impact	FY2017-18	FY2018-19	FY2019-20
Eliminate the Common Levy	4,936,060	4,936,060	4,936,060
Community Achievement Plan Adjustment & Aid	5,739,338	5,968,912	6,207,668
Open Enrollment Students to Option Enrollment Students	-4,736,506	-4,736,506	-4,736,506
Remove Cap on Net Option/Income Taxes - Rebate to 2.23%	7,519,481	9,584,422	11,736,754
Total Est. General Fund Increase in TEEOSA Aid	\$13,458,373	\$15,752,888	\$18,143,976
Learning Community Transition Aid - Lottery Funds	1,135,312	567,656	0
Total Est. Fiscal Impact of LB 1067	\$14,593,685	\$16,320,544	\$18,143,976
Learning Community School Districts	14,575,869	14,579,052	14,605,842
Other School Districts	17,816	1,741,492	3,538,134
Total	\$14,593,685	\$16,320,544	\$18,143,976

Source: Sandy Sostad, Legislative Fiscal Office

LB 1086	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Davis	Education	Change provisions relating to student self-management of asthma or anaphylaxis	7/21/2016

LB 1086 amends existing law relating to student self-management of asthma or anaphylaxis conditions. The bill includes language stating that in addition to a physician, “other health care professionals who prescribed the medication for the treatment of a student’s” asthma or anaphylaxis may sign the medical authorization required for a student to administer their own medication while at school.

LB 1109	<i>Sponsor</i>	<i>Committee</i>	<i>Subject</i>	<i>Operative</i>
	Murante	Government	Hiring process for University positions	7/21/2016

LB 1109 creates the Enhanced Public Scrutiny process, which would be applicable to priority candidates for the positions of President and Chancellors of the University of Nebraska System. The bill defines priority candidate as “an individual preliminarily selected to fill a vacancy” in one of the applicable positions.

The Enhanced Public Scrutiny process requires that the hiring authority (Board of Regents in the case of the President, President in the case of a Chancellor) announce a priority candidate to fill a vacancy 30 days before filling the position. The priority candidate will be required to make

During the 30-day vetting period, the hiring authority must provide a public forum at campuses of the University of Nebraska system under the vacant position's authority. At the forum, all members of the public, including media, students, faculty, and staff of the University of Nebraska, would have the opportunity to ask the priority candidate questions and provide input on the selection.

<i>Resolution</i>	<i>Sponsor</i>	<i>Committee Reference</i>	<i>Topic</i>	<i>Pg.</i>
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LR 604	Davis	Revenue	Ag land value	21
LR 565	Pansing Brooks	Urban Affairs	Land acquisition	22

Purpose: The purpose of this resolution is to determine best practices in drafting tax legislation and determining the fiscal impact of tax policies.

Purpose: The purpose of this study is to review and examine information regarding air ambulance costs and the information available to consumers about such costs. Air ambulances most commonly transport patients with life-threatening conditions or in emergency situations. The Association of Air Medical Services estimates that more than 550,000 patients in the United States use air ambulances each year. However, using air ambulances is expensive and might not be covered by the patient's health insurance policy. Air ambulances are generally utilized in situations in which

patients have no control over how they are transported for treatment. Time is often a critical factor in deciding transportation for care. Patients are usually not able to negotiate prices or refuse transport when requiring urgent medical care. Refusing service is not an easy choice when trained medical staff have determined an air ambulance is a necessity. Ill patients often cannot make a free choice whether to use an air ambulance, nor is there information available as to the cost of the transportation and whether it is covered by insurance. According to the National Association of Insurance Commissioners, the average air ambulance trip is 52 miles and costs between \$12,000 to \$25,000 per flight. Many air and ground ambulance services refuse a preferred provider contract with payers, forcing patients to pay high, uncontrolled billed charges. There are reports of large balance bills to air ambulance patients that were unexpected and often uncovered by insurance. Air ambulance bills appear to be a nationwide issue.

The study will include an examination of the following:

- (1) The cost of air ambulance services for patients in Nebraska for both in-network and out-of-network air ambulance services;
- (2) When and how consumers are notified of air ambulance costs and balance billing and what recourse is available for lack of coverage;
- (3) What effect federal law has on rates for air transport in medical trauma or emergency situations; and
- (4) How other states are addressing the need for transparency in air ambulance charges and what coverage is available for air transportation in medical emergencies.

LR 512	<i>Introduced by:</i> Business/Labor Committee	<i>Referred to:</i> Business/Labor Committee	<i>Topic:</i> CIR
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Purpose: The purpose of this resolution is to study the Commission of Industrial Relations (CIR). The CIR is a state agency designed to resolve public sector labor controversies with jurisdiction over state and local government employees, including public utilities. The Constitution of Nebraska authorizes the creation of such an agency, and in 1947, state legislation created the CIR. The CIR was designed as a compromise meant to provide a meaningful avenue for workers to be heard and address fairness in the workplace while prohibiting workers from striking and ensuring public safety. The CIR is an option of last resort meant to be invoked only when the parties reach an impasse in their negotiations of wages, terms, or other conditions.

The study will include, but not be limited to, an examination of the following:

- (1) Implementation, experience, and practice of the CIR;
- (2) Effectiveness of legislation in providing greater predictability and consistency to the CIR process of resolving labor disputes;

- (3) Similar laws, programs, or institutions in other states addressing public sector labor controversies; and
- (4) Costs and benefits to employers, employees, and taxpayers as a result of the Industrial Relations Act.

LR 533	<i>Introduced by:</i> Bolz	<i>Referred to:</i> Business/Labor Committee	<i>Topic:</i> Career education and training
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Purpose: According to a 2015 survey of Nebraska businesses and organizations, workforce quality and availability is a top concern. By 2020, 38 percent of jobs in Nebraska will be middle-skill jobs: those requiring some postsecondary education but less than a bachelor's degree. To address the middle-skill employee gap, the federal Workforce Investment and Opportunity Act promotes career pathways as a workforce development strategy.

This study will examine the following:

- (1) Nationwide best practices for promoting career education and training that can lead to job readiness for middle-skill positions;
- (2) Innovative processes and programs through which training opportunities and educational programs have been established and fostered in other states;
- (3) Opportunities available through the federal Workforce Investment and Opportunity Act to promote career pipeline programs; and
- (4) Strategies and opportunities to produce individuals prepared for middle-skill jobs and how to best implement such strategies.

LR 559	<i>Introduced by:</i> Krist	<i>Referred to:</i> Education Committee	<i>Topic:</i> Civics education
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Purpose: Too few high school students and citizens across the country—Nebraska included—know and understand basic American civics. According to the Pew Research Center, only one-third of Americans can correctly name one of the three branches of government, much less say what each branch does. Nationally, dozens of states are discussing possible solutions to ending the quiet crisis of civics education. Over the years, school districts have emphasized STEM (science, technology, engineering, and math) programs. While these programs and curricula are vastly important for the success of students, a new emphasis needs to be placed on civics education if students are to be active and engaged in the political process throughout their lives. To help increase students' education in civics, many states have passed the Civics Education Initiative into law.

The Civics Education Initiative is a first step to ensure that all students are taught basic civics about the United States and who we are as a nation. A strong civics

education will serve as a foundation for informed, engaged, and successful citizens in the future. The State Board of Education has already created standards for social studies—which includes criteria for civics education—but these standards are not tested in ways similar to math or science. By implementing a civics test, either through legislation or regulation, Nebraska’s school districts will have the tools needed to increase their students’ understanding of civics.

The purpose of this interim study is to examine the feasibility and impact of implementing the Civics Education Initiative in Nebraska through legislation or in partnership with the State Board of Education through their regulation process. The study should also focus on the policies that other states are adopting to increase civics education. The committee should further examine this issue to determine what legislation or policy development may be necessary to implement the Civics Education Initiative or a similar program, while allowing local school districts to determine the best way to implement the civics test in a cost-effective manner by encouraging the State Board of Education to include the initiative as a part of Rule 10.

LR 564	<i>Introduced by:</i> Pansing Brooks	<i>Referred to:</i> Education Committee	<i>Topic:</i> Postsecondary education
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Purpose: The purpose of this resolution is to study education in Nebraska, with an emphasis on adults and postsecondary education. This study will include an examination of the following:

- (1) Student retention, graduation, employment, and earnings;
- (2) Access to postsecondary education for minority students;
- (3) Access to and use of awards under the Nebraska Opportunity Grant Act; and
- (4) The regulation of educational institutions in Nebraska.

LR 581	<i>Introduced by:</i> Kintner	<i>Referred to:</i> Education Committee	<i>Topic:</i> Federal education funding
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Purpose: The purpose of this resolution is to examine and identify the positive and negative effects of federal education funding if Nebraska would choose not to accept federal funds that are tied to federal mandates. These mandates reduce flexibility in the administration of education in Nebraska’s school districts. Over the last several decades, school districts have experienced ever-increasing involvement by the federal government in the education of students in our elementary and secondary schools through mandates tied to federal education dollars.

This study will examine the effects of this trend and whether there are fiscal or other benefits of increased flexibility and freedom gained by refusing to accept federal funds that outweigh the monetary benefits of accepting federal education money.

The study will include, but not be limited to, identifying and categorizing:

- (1) All federal funds received by Nebraska to support school districts, excluding federal programs entered into directly by school districts;
- (2) What specific mandates are connected with any such funds;
- (3) The positive and negative fiscal impacts and other effects of refusing such money; and
- (4) Any recommendations from the findings.

LR 586	<i>Introduced by:</i> Groene	<i>Referred to:</i> Education Committee	<i>Topic:</i> School employee health insurance
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Purpose: The purpose of this interim study is to examine the effects, fiscal impact, and potential cost savings of transferring public school employees from the system of district-based health insurance plans to the Nebraska State Insurance Program. The study will include an examination of the following:

- (1) The fiscal impact to the districts and the state if the state takes on the administrative costs and the school districts and their employees pay the premium costs; and
- (2) The option of including the school districts' health insurance costs within the present Tax Equity and Educational Opportunities Support Act (TEEOSA) calculations.

LR 587	<i>Introduced by:</i> Sullivan	<i>Referred to:</i> Education Committee	<i>Topic:</i> General study
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Purpose: The purpose of this resolution is to examine the issues within the jurisdiction of the Education Committee of the Legislature.

LR 597	<i>Introduced by:</i> Murante	<i>Referred to:</i> Government Committee	<i>Topic:</i> Bonds
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Purpose: The purpose of this resolution is to study the financing mechanisms available to counties, cities, villages, school districts, natural resource districts, public building commissions, and other political subdivisions of the State of Nebraska by which such entities issue bonds or assume future payment obligations without a direct vote of taxpayers that would be required for most general obligation bonds, as well as the authority allowing the use of such mechanisms. The mechanisms to be studied and the issues surrounding each will include, but not be limited to, the following:

- (1) Installment contracts entered into by political subdivisions for the purchase of real or personal property, the statutory or other authority by which such contracts are entered into, the outstanding amount of any payments to be made by political subdivisions that have entered into such contracts, any accompanying bonds issued for such contracts or future payments, and the statutory or other authority by which such bonds are issued and authorized;
- (2) Certificates of participation issued by political subdivisions, the statutory or other authority by which such certificates are issued, and the outstanding amount of any payments to be made by political subdivisions issuing such certificates;
- (3) Lease-purchase agreements entered into by political subdivisions, the authority by which such agreements are entered into, and the outstanding amount of any payments to be made by political subdivisions that have entered into such agreements; and
- (4) Any other financing mechanisms that obligate political subdivisions to make future payments for a number of years, the authority by which such mechanisms are employed, and the outstanding payments to be made by political subdivisions using such mechanisms.

LR 483	<i>Introduced by:</i> Kolterman	<i>Referred to:</i> Retirement Committee	<i>Topic:</i> General study
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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 study may also examine the retirement system established pursuant to the Class V School Employees Retirement Act.

The study will examine issues as they relate to the funding needs, benefits, contributions, and the administration of each retirement system.

LR 571	<i>Introduced by:</i> Retirement Committee	<i>Referred to:</i> Retirement Committee	<i>Topic:</i> General study
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Purpose: The purpose of this study is to examine local political subdivision retirement plans for public employees. The study will examine issues relating to benefits, contributions, plan structures, fees, funding, and the administration of such plans.

LR 555	<i>Introduced by:</i>	<i>Referred to:</i>	<i>Topic:</i>
	Lindstrom	Revenue Committee	TERC

Purpose: The purpose of this resolution is to study the process and procedures used in appeals before the Tax Equalization and Review Commission. This study will include an examination of the following:

- (1) Who may file an appeal or represent a party in an appeal from a decision of the county board of equalization regarding the taxation, valuation, or assessment of real or personal property;
- (2) The burden of proof required in such an appeal; and
- (3) Any other procedures of the Tax Equalization and Review Commission that the study committee chooses to examine.

LR 600	<i>Introduced by:</i>	<i>Referred to:</i>	<i>Topic:</i>
	Johnson	Revenue Committee	Ag land value

Purpose: The purpose of this resolution is to examine alternatives for valuing agricultural land for property tax purposes. It is a goal of this study to identify valuation options that provide sustainability to landowners by more closely aligning assessed values of agricultural and horticultural land with measures of productivity and farm income while providing stability and growth in services and governmental responsibilities supported by property taxes. The Agriculture and Revenue Committees of the Legislature shall work jointly: to compile and review relevant literature including past studies conducted and data gathered by the Legislature, to examine the constitutional and legal context within which agricultural land valuation occurs, to develop data comparing changes in agricultural land valuation with measures of farm income and productivity, and to compile information regarding agricultural land valuation systems utilized in other states. In conducting the study, the committees shall consult with political subdivisions, agricultural producer organizations, tax policy experts in the public and private sectors, and appropriate state agencies.

LR 604	<i>Introduced by:</i>	<i>Referred to:</i>	<i>Topic:</i>
	Davis	Revenue Committee	Ag land value

Purpose: The purpose of this resolution is to study anomalies and inconsistencies in the practices utilized by county assessors in determining agricultural land value. The study committee should investigate how agricultural land categories are determined and valued at the county level. The study committee should also review the role of the property assessment division of the Department of Revenue in maintaining consistency among statewide county valuations.

LR 565	<i>Introduced by:</i> Pansing Brooks	<i>Referred to:</i> Urban Affairs Committee	<i>Topic:</i> Land acquisition
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Purpose: The purpose of this study is to examine land acquisition within municipalities for educational purposes. The study will include an analysis of the existing laws relating to land acquisition within municipalities for educational purposes and an examination of the need for changes to such laws.