

## LEGISLATIVE BILL 342

Approved by the Governor May 30, 2007

Introduced by Raikes, 25; Adams, 24; Aguilar, 35; Avery, 28; Burling, 33; Carlson, 38; Christensen, 44; Cornett, 45; Dierks, 40; Engel, 17; Flood, 19; Friend, 10; Gay, 14; Hansen, 42; Janssen, 15; Johnson, 37; Karpisek, 32; Kopplin, 3; Kruse, 13; Lathrop, 12; McDonald, 41; Mines, 18; Pahls, 31; Pankonin, 2; Pedersen, 39; Preister, 5; Rogert, 16; Schimek, 27; Stuthman, 22; Synowiecki, 7; Wallman, 30; Wightman, 36

FOR AN ACT relating to education; to amend sections 85-1418, 85-1511, 85-1536, and 85-1538, Reissue Revised Statutes of Nebraska, and sections 13-518, 77-3442, 85-9,177, 85-9,178, 85-9,179, 85-9,180, 85-9,181, 85-9,182, 85-1416, 85-1503, 85-1517, and 85-1903, Revised Statutes Cumulative Supplement, 2006; to adopt the Community College Foundation and Equalization Aid Act; to change and eliminate provisions related to community colleges; to rename and change provisions of the Minority Scholarship Program Act; to harmonize provisions; to provide an operative date; to repeal the original sections; to outright repeal section 85-1537, Reissue Revised Statutes of Nebraska, and section 85-1536.01, Revised Statutes Cumulative Supplement, 2006; and to declare an emergency.

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

Section 1. Sections 1 to 29 of this act shall be known and may be cited as the Community College Foundation and Equalization Aid Act.

Sec. 2. The Community College Foundation and Equalization Aid Fund is created. The fund shall be used to provide state aid to community college areas pursuant to the Community College Foundation and Equalization Aid Act. Any money in the Community College Foundation and Equalization Aid Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 3. For purposes of the Community College Foundation and Equalization Aid Act, the definitions found in sections 4 to 20 of this act apply.

Sec. 4. Average revenue remainder allowance means the amount calculated pursuant to subdivision (2)(b) of section 23 of this act.

Sec. 5. Base growth factor means the base limitation described in section 77-3446 minus one-half percent.

Sec. 6. Base revenue need means the amount calculated pursuant to section 23 of this act.

Sec. 7. Community college area has the definition found in section 85-1503.

Sec. 8. Equalization aid means the amount calculated pursuant to section 25 of this act.

Sec. 9. Formula base revenue means the base growth factor plus one, times the total prior year revenue for all community college areas.

Sec. 10. Full-time equivalent student has the definition found in section 85-1503.

Sec. 11. Local effort rate means the rate applied for the determination of total formula resources pursuant to section 24 of this act.

Sec. 12. Prior year revenue means the total of general fund property taxes, state aid, and tuition and fees collected in the fiscal year immediately preceding the fiscal year for which aid is being calculated.

Sec. 13. Reimbursable educational unit has the definition found in section 85-1503.

Sec. 14. Reimbursable educational unit aid equals reimbursable educational unit need.

Sec. 15. Reimbursable educational unit need equals the amount calculated in subdivision (2)(d) of section 23 of this act.

Sec. 16. Revenue remainder allowance means the amount calculated pursuant to subdivision (2)(e) of section 23 of this act.

Sec. 17. State foundation amount means the amount calculated pursuant to subdivision (2)(f) of section 23 of this act.

Sec. 18. State foundation percentage equals thirty percent.

Sec. 19. System foundation aid means system foundation need.

Sec. 20. System foundation need means the amount calculated pursuant to subdivision (2)(g) of section 23 of this act.

Sec. 21. The Coordinating Commission for Postsecondary Education

shall annually collect data from each community college area and maintain such data as necessary to carry out the Community College Foundation and Equalization Aid Act. Each community college area shall annually report data necessary to the commission to carry out the act.

Sec. 22. Section 85-1536, Reissue Revised Statutes of Nebraska, is amended to read:

~~85-1536~~ (1) The Legislature, in an effort to promote quality postsecondary education and to avoid excessive and disproportionate taxation upon the taxable property of each community college area, may appropriate each biennium from such funds as may be available an amount for aid and assistance to the community colleges. The Legislature recognizes that education, as an investment in human resources, is fundamental to the quality of life and the economic prosperity of Nebraskans and that aid to the community colleges furthers these goals. It is the intent of the Legislature that such appropriations, ~~in particular equalization aid provided in this section and section 85-1536.01,~~ reflect the commitment of the Legislature to join with local governing bodies in a strong and continuing partnership to further advance the quality, responsiveness, access, and equity of Nebraska's community colleges and to foster high standards of performance and service so that every citizen, community, and business will have the opportunity to receive quality educational programs and services regardless of the size, wealth, or geographic location of the community college area or tribally controlled community college as defined in section 85-1503 by which that citizen, community, or business is served. Such funds so appropriated by the Legislature shall be allocated, adjusted, and distributed to the community college boards of governors as provided in the Community College Foundation and Equalization Aid Act. ~~boards by the Department of Administrative Services as follows:~~

(a) ~~Fifty-two percent of such funds appropriated by the Legislature for each fiscal year shall be allocated to the community college areas in the same proportion as the first one thousand seven hundred seventy-five audited reimbursable educational units or portion thereof of the three-year average for each community college area, calculated by taking the average of the audited reimbursable educational units for the three most recently completed fiscal years, is to the first one thousand seven hundred seventy-five audited reimbursable educational units or portion thereof of the three-year average of all community college areas combined for such fiscal year;~~

(b) ~~Thirty-eight percent of such funds for each fiscal year shall be distributed to the community college areas in the same proportion as the three-year average of all audited reimbursable educational units in excess of one thousand nine hundred seventy-five for each community college area, calculated by taking the average of the audited reimbursable educational units for the three most recently completed fiscal years, is to the audited reimbursable educational units in excess of one thousand nine hundred seventy-five for all community college areas, calculated by taking such average, combined for such fiscal year; and~~

(c) ~~The balance of such funds for each fiscal year shall be distributed pursuant to section 85-1536.01. Funding for tribally controlled community colleges shall be calculated on the total amount of funds available pursuant to this section and section 85-1537.~~

(2) The Department of Revenue shall certify aid amounts pursuant to the act and report such amounts to the Department of Administrative Services. The Department of Administrative Services shall distribute the total of such appropriated and allocated funds ~~from subdivisions (1)(a) and (b) of this section~~ to the boards of governors in ten as nearly as possible equal monthly payments between the fifth and twentieth day of each month beginning in September of each year.

(3) The Department of Administrative Services shall reduce the amount of the distribution to a board of governors by the amount of funds used by the community college area to provide a program or capital construction project as such term is defined in section 85-1402 which has not been approved or has been disapproved by the Coordinating Commission for Postsecondary Education pursuant to the Coordinating Commission for Postsecondary Education Act.

Sec. 23. (1) The Department of Revenue shall annually calculate the base revenue need for each community college area as follows:

(a) For fiscal years 2007-08 and 2008-09, base revenue need for each community college area shall equal one plus the base growth factor plus the percentage growth in full-time equivalent enrollments attributable to each community college area times the sum of (i) system foundation need plus (ii) reimbursable educational unit need plus (iii) the average need adjustment plus (iv) the revenue remainder allowance for each community college area; and

(b) For fiscal year 2009-10 and each fiscal year thereafter, base revenue need for each community college area shall equal the sum of (i) system foundation need plus (ii) reimbursable educational unit need plus (iii) the average revenue remainder allowance.

(2) For purposes of the calculation required pursuant to this section:

(a) Average need adjustment shall be calculated for fiscal year 2007-08 aid distribution as follows: Average need adjustment shall equal the sum of average adjusted revenue per full-time equivalent student minus the adjusted revenue per full-time equivalent student times the number of full-time equivalent students attributable to each community college area up to the number of full-time equivalent students attributable to the community college area with the fewest number of full-time equivalent students, except that the amount shall not be less than negative seven hundred fifty thousand or greater than seven hundred fifty thousand. For purposes of the average need adjustment, (i) adjusted revenue per full-time equivalent student equals the sum of the prior year revenue for each community college area minus the system foundation need divided by the number of full-time equivalent students for each community college area and (ii) average adjusted revenue per full-time equivalent student equals the sum of the prior year revenue for all community college areas minus the system foundation need for all areas divided by the number of full-time equivalent students for all areas;

(b) Average revenue remainder allowance shall equal the average revenue remainder per full-time equivalent student times the number of full-time equivalent students for each community college area;

(c) Average revenue remainder per full-time equivalent student equals the revenue remainder allowance for all community college areas divided by the total number of full-time equivalent students in all community college areas;

(d) Reimbursable educational unit need for each community college area equals the product of the state foundation amount times forty percent divided by the total reimbursable educational units of all community college areas times the number of reimbursable educational units attributable to each community college area;

(e) Revenue remainder allowance equals the formula base revenue attributable to each community college area minus the sum of system foundation need plus reimbursable educational unit need;

(f) State foundation amount equals formula base revenue times the state foundation percentage; and

(g) System foundation need for each community college area equals the product of the state foundation amount times sixty percent divided by the number of community college areas.

Sec. 24. (1) The Department of Revenue shall calculate local effort rate by dividing the sum of (a) the total of base revenue need for all community college areas minus (b) the amount appropriated by the Legislature pursuant to the Community College Foundation and Equalization Aid Act minus (c) the total formula tuition and fees for all community college areas by the total valuation of all community college areas times one hundred.

(2) The department shall calculate the formula resources available to each community college area by adding (a) the yield from local effort rate plus (b) local formula tuition and fees plus (c) system foundation aid plus (d) reimbursable educational unit aid.

(3) For purposes of the calculation required pursuant to this section:

(a) The yield from local effort rate for each community college area equals the local effort rate times the property valuation attributable to each community college area divided by one hundred;

(b) Local formula tuition and fees equals tuition and fees attributable to each community college area that were collected in the fiscal year prior to the fiscal year for which aid is to be calculated;

(c) Reimbursable educational unit aid equals reimbursable educational unit need calculated pursuant to section 23 of this act; and

(d) System foundation aid equals system foundation need calculated pursuant to section 23 of this act.

Sec. 25. Equalization aid for each community college area shall equal base revenue need attributable to the community college area minus formula resources attributable to the community college area.

Sec. 26. Total aid for each community college area shall equal the sum of such community college area's equalization aid, system foundation aid, and reimbursable educational unit aid, except that total aid shall not be less than zero.

Sec. 27. The maximum levy for each community college area shall be

certified by the Department of Revenue annually and shall equal one hundred fifteen percent of the local effort rate calculated pursuant to section 24 of this act plus amounts allowed pursuant to subsection (2) of section 85-1517.

Sec. 28. For fiscal year 2008-09 and for each fiscal year thereafter, a minimum levy aid reduction shall apply to any community college area that does not levy at least eighty percent of the local effort rate calculated pursuant to section 24 of this act for the fiscal year immediately preceding the fiscal year for which aid is being calculated.

The minimum levy aid reduction shall equal the difference between the amount of revenue collected by the community college area as a result of its levy and the amount of revenue that would have been collected using eighty percent of the local effort rate in the prior fiscal year. The Department of Revenue shall reduce the amount of aid calculated pursuant to section 26 of this act by an amount equal to the minimum levy aid reduction.

Sec. 29. Section 85-1538, Reissue Revised Statutes of Nebraska, is amended to read:

~~85-1538~~ The Director of Administrative Services shall, upon notification by the State Treasurer that sufficient funds are available for payment, draw warrants on vouchers presented by the budget division of the Department of Administrative Services against funds appropriated and deliver such warrants to the various community colleges.

Sec. 30. Section 13-518, Revised Statutes Cumulative Supplement, 2006, is amended to read:

13-518 For purposes of sections 13-518 to 13-522:

(1) Allowable growth means (a) for governmental units other than community colleges, the percentage increase in taxable valuation in excess of the base limitation established under section 77-3446, if any, due to improvements to real property as a result of new construction, additions to existing buildings, any improvements to real property which increase the value of such property, and any increase in valuation due to annexation and any personal property valuation over the prior year and (b) for community colleges, (i) for fiscal years prior to fiscal year 2003-04 and after fiscal year 2004-05 until fiscal year 2007-08, the percentage increase in excess of the base limitation, if any, in full-time equivalent students from the second year to the first year preceding the year for which the budget is being determined, and (ii) for fiscal year 2003-04 and fiscal year 2004-05, the percentage increase in full-time equivalent students from the second year to the first year preceding the year for which the budget is being determined, and (iii) for fiscal year 2007-08 and each fiscal year thereafter, community college areas may exceed the base limitation to equal base revenue need calculated pursuant to section 23 of this act;

(2) Capital improvements means (a) acquisition of real property or (b) acquisition, construction, or extension of any improvements on real property;

(3) Governing body has the same meaning as in section 13-503;

(4) Governmental unit means every political subdivision which has authority to levy a property tax or authority to request levy authority under section 77-3443 except sanitary and improvement districts which have been in existence for five years or less and school districts;

(5) Qualified sinking fund means a fund or funds maintained separately from the general fund to pay for acquisition or replacement of tangible personal property with a useful life of five years or more which is to be undertaken in the future but is to be paid for in part or in total in advance using periodic payments into the fund. The term includes sinking funds under subdivision (13) of section 35-508 for firefighting and rescue equipment or apparatus;

(6) Restricted funds means (a) property tax, excluding any amounts refunded to taxpayers, (b) payments in lieu of property taxes, (c) local option sales taxes, (d) motor vehicle taxes, (e) state aid, (f) transfers of surpluses from any user fee, permit fee, or regulatory fee if the fee surplus is transferred to fund a service or function not directly related to the fee and the costs of the activity funded from the fee, (g) any funds excluded from restricted funds for the prior year because they were budgeted for capital improvements but which were not spent and are not expected to be spent for capital improvements, (h) the tax provided in sections 77-27,223 to 77-27,227 beginning in the second fiscal year in which the county will receive a full year of receipts, and (i) any excess tax collections returned to the county under section 77-1776; and

(7) State aid means:

(a) For all governmental units, state aid paid pursuant to sections 60-3,202 and 77-3523;

(b) For municipalities, state aid to municipalities paid pursuant to

sections 18-2605, 39-2501 to 39-2520, 60-3,190, 77-27,136, and 77-27,139.04 and insurance premium tax paid to municipalities;

(c) For counties, state aid to counties paid pursuant to sections 39-2501 to 39-2520, 47-119.01, 60-3,184 to 60-3,190, 77-27,136, and 77-3618, insurance premium tax paid to counties, and reimbursements to counties from funds appropriated pursuant to section 29-3933;

(d) For community colleges, state aid to community colleges paid under sections 85-1536 to 85-1537, the Community College Foundation and Equalization Aid Act;

(e) For natural resources districts, state aid to natural resources districts paid pursuant to section 77-27,136;

(f) For educational service units, state aid appropriated under section 79-1241; and

(g) For local public health departments as defined in section 71-1626, state aid as distributed under section 71-1628.08.

Sec. 31. Section 77-3442, Revised Statutes Cumulative Supplement, 2006, is amended to read:

77-3442 (1) Property tax levies for the support of local governments for fiscal years beginning on or after July 1, 1998, shall be limited to the amounts set forth in this section except as provided in section 77-3444.

(2)(a) Except as provided in subdivision (2)(d) of this section, school districts and multiple-district school systems, except learning communities and school districts that are members of learning communities, may levy a maximum levy of one dollar and five cents per one hundred dollars of taxable valuation of property subject to the levy.

(b) Except as provided in subdivision (2)(d) of this section, for fiscal year 2008-09 and each fiscal year thereafter, (i) learning communities may levy a maximum levy for the general fund budgets of member school districts equal to the ratio of the aggregate difference of one hundred ten percent of the formula needs as calculated pursuant to section 79-1007.02 minus the amount of state aid certified pursuant to section 79-1022 and minus the other actual receipts included in local system formula resources pursuant to section 79-1018.01 for each member school district for such school fiscal year divided by each one hundred dollars of taxable property subject to the levy, except that such levy shall not exceed one dollar and two cents on each one hundred dollars of taxable property subject to the levy, and (ii) school districts that are members of learning communities may levy a maximum levy of the difference of one dollar and two cents on each one hundred dollars of taxable property subject to the levy minus the learning community levy pursuant to this subdivision for purposes of such school district's general fund budget and special building funds.

(c) Excluded from the limitations in subdivisions (a) and (b) of this subsection are amounts levied to pay for sums agreed to be paid by a school district to certificated employees in exchange for a voluntary termination of employment and amounts levied to pay for special building funds and sinking funds established for projects commenced prior to April 1, 1996, for construction, expansion, or alteration of school district buildings. For purposes of this subsection, commenced means any action taken by the school board on the record which commits the board to expend district funds in planning, constructing, or carrying out the project.

(d) Federal aid school districts may exceed the maximum levy prescribed by subdivision (2)(a) or (b) of this section only to the extent necessary to qualify to receive federal aid pursuant to Title VIII of Public Law 103-382, as such title existed on September 1, 2001. For purposes of this subdivision, federal aid school district means any school district which receives ten percent or more of the revenue for its general fund budget from federal government sources pursuant to Title VIII of Public Law 103-382, as such title existed on September 1, 2001.

(e) For school fiscal year 2002-03 through school fiscal year 2007-08, school districts and multiple-district school systems may, upon a three-fourths majority vote of the school board of the school district, the board of the unified system, or the school board of the high school district of the multiple-district school system that is not a unified system, exceed the maximum levy prescribed by subdivision (2)(a) of this section in an amount equal to the net difference between the amount of state aid that would have been provided under the Tax Equity and Educational Opportunities Support Act without the temporary aid adjustment factor as defined in section 79-1003 for the ensuing school fiscal year for the school district or multiple-district school system and the amount provided with the temporary aid adjustment factor. The State Department of Education shall certify to the school districts and multiple-district school systems the amount by which the maximum levy may be exceeded for the next school fiscal year pursuant to this

subdivision (e) of this subsection on or before February 15 for school fiscal years 2004-05 through 2007-08.

(f) For fiscal year 2008-09 and each fiscal year thereafter, learning communities may levy a maximum levy of two cents on each one hundred dollars of taxable property subject to the levy for special building funds for member school districts.

(g) For fiscal year 2008-09 and each fiscal year thereafter, learning communities may levy a maximum levy of one cent on each one hundred dollars of taxable property subject to the levy for the learning community budget and for projects approved by the learning community coordinating council.

(3) Community colleges may levy a maximum levy calculated pursuant to the Community College Foundation and Equalization Aid Act on each one hundred dollars of taxable property subject to the levy, ~~of seven cents, plus amounts allowed under subsection (7) of section 85-1536.01, except that any community college whose valuation per reported aid equivalent student as defined in section 85-1503 was less than eighty-two percent of the average valuation per statewide reimbursable reported aid equivalent total as defined in section 85-1503 for all community colleges for fiscal year 1997-98 may levy up to an additional one-half cent for each of fiscal years 2005-06 and 2006-07 upon a three-fourths majority vote of the board.~~

(4) Natural resources districts may levy a maximum levy of four and one-half cents per one hundred dollars of taxable valuation of property subject to the levy. Natural resources districts shall also have the power and authority to levy a tax equal to the dollar amount by which their restricted funds budgeted to administer and implement ground water management activities and integrated management activities under the Nebraska Ground Water Management and Protection Act exceed their restricted funds budgeted to administer and implement ground water management activities and integrated management activities for FY2003-04, not to exceed one cent on each one hundred dollars of taxable valuation annually on all of the taxable property within the district. In addition, natural resources districts located in a river basin, subbasin, or reach that has been determined to be fully appropriated pursuant to section 46-714 or designated as overappropriated pursuant to section 46-713 by the Department of Natural Resources shall also have the power and authority to levy a tax equal to the dollar amount by which their restricted funds budgeted to administer and implement ground water management activities and integrated management activities under the Nebraska Ground Water Management and Protection Act exceed their restricted funds budgeted to administer and implement ground water management activities and integrated management activities for FY2005-06, not to exceed three cents on each one hundred dollars of taxable valuation on all of the taxable property within the district for fiscal year 2006-07 and not to exceed two cents on each one hundred dollars of taxable valuation annually on all of the taxable property within the district for fiscal years 2007-08 and 2008-09.

(5) Educational service units may levy a maximum levy of one and one-half cents per one hundred dollars of taxable valuation of property subject to the levy.

(6) (a) Incorporated cities and villages which are not within the boundaries of a municipal county may levy a maximum levy of forty-five cents per one hundred dollars of taxable valuation of property subject to the levy plus an additional five cents per one hundred dollars of taxable valuation to provide financing for the municipality's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. The maximum levy shall include amounts levied to pay for sums to support a library pursuant to section 51-201, museum pursuant to section 51-501, visiting community nurse, home health nurse, or home health agency pursuant to section 71-1637, or statue, memorial, or monument pursuant to section 80-202.

(b) Incorporated cities and villages which are within the boundaries of a municipal county may levy a maximum levy of ninety cents per one hundred dollars of taxable valuation of property subject to the levy. The maximum levy shall include amounts paid to a municipal county for county services, amounts levied to pay for sums to support a library pursuant to section 51-201, a museum pursuant to section 51-501, a visiting community nurse, home health nurse, or home health agency pursuant to section 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

(7) Sanitary and improvement districts which have been in existence for more than five years may levy a maximum levy of forty cents per one hundred dollars of taxable valuation of property subject to the levy, and sanitary and improvement districts which have been in existence for five years or less shall not have a maximum levy. Unconsolidated sanitary and improvement

districts which have been in existence for more than five years and are located in a municipal county may levy a maximum of eighty-five cents per hundred dollars of taxable valuation of property subject to the levy.

(8) Counties may levy or authorize a maximum levy of fifty cents per one hundred dollars of taxable valuation of property subject to the levy, except that five cents per one hundred dollars of taxable valuation of property subject to the levy may only be levied to provide financing for the county's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. The maximum levy shall include amounts levied to pay for sums to support a library pursuant to section 51-201 or museum pursuant to section 51-501. The county may allocate up to fifteen cents of its authority to other political subdivisions subject to allocation of property tax authority under subsection (1) of section 77-3443 and not specifically covered in this section to levy taxes as authorized by law which do not collectively exceed fifteen cents per one hundred dollars of taxable valuation on any parcel or item of taxable property. The county may allocate to one or more other political subdivisions subject to allocation of property tax authority by the county under subsection (1) of section 77-3443 some or all of the county's five cents per one hundred dollars of valuation authorized for support of an agreement or agreements to be levied by the political subdivision for the purpose of supporting that political subdivision's share of revenue required under an agreement or agreements executed pursuant to the Interlocal Cooperation Act or the Joint Public Agency Act. If an allocation by a county would cause another county to exceed its levy authority under this section, the second county may exceed the levy authority in order to levy the amount allocated.

(9) Municipal counties may levy or authorize a maximum levy of one dollar per one hundred dollars of taxable valuation of property subject to the levy. The municipal county may allocate levy authority to any political subdivision or entity subject to allocation under section 77-3443.

(10) Property tax levies for judgments, except judgments or orders from the Commission of Industrial Relations, obtained against a political subdivision which require or obligate a political subdivision to pay such judgment, to the extent such judgment is not paid by liability insurance coverage of a political subdivision, for preexisting lease-purchase contracts approved prior to July 1, 1998, for bonded indebtedness approved according to law and secured by a levy on property, and for payments by a public airport to retire interest-free loans from the Department of Aeronautics in lieu of bonded indebtedness at a lower cost to the public airport are not included in the levy limits established by this section.

(11) The limitations on tax levies provided in this section are to include all other general or special levies provided by law. Notwithstanding other provisions of law, the only exceptions to the limits in this section are those provided by or authorized by sections 77-3442 to 77-3444.

(12) Tax levies in excess of the limitations in this section shall be considered unauthorized levies under section 77-1606 unless approved under section 77-3444.

(13) For purposes of sections 77-3442 to 77-3444, political subdivision means a political subdivision of this state and a county agricultural society.

Sec. 32. Section 85-9,177, Revised Statutes Cumulative Supplement, 2006, is amended to read:

85-9,177 Sections 85-9,177 to 85-9,182 shall be known and may be cited as the Minority Student Diversity Scholarship Program Act.

Sec. 33. Section 85-9,178, Revised Statutes Cumulative Supplement, 2006, is amended to read:

85-9,178 (1) The Legislature finds that the State of Nebraska has a compelling interest to provide access to the University of Nebraska, the state colleges, and the community colleges for Black, American Indian, and Hispanic minority students and students from diverse racial, ethnic, and cultural backgrounds who often find that the financial requirements of postsecondary education often represent major obstacles to such students because of the lack of financial resources available to them. are a major obstacle. The Legislature further finds that the State of Nebraska has a compelling interest in attaining greater diversity in the racial, ethnic, and cultural makeup of the student bodies at the University of Nebraska, the state colleges, and the community colleges because of the educational benefits that a diverse educational environment will produce for all students attending the University of Nebraska, the state colleges, and the community colleges.

(2) It is the intent of the Legislature:

(a) To appropriate funds to support a minority scholarship student diversity program to serve as a temporary measure for the purpose of

eliminating the statistical disparity between the representation of full-time Black, American Indian, and Hispanic minority students in the undergraduate population of the University of Nebraska, the state colleges, and the community colleges and the representation of such minority students in the student population of the primary and secondary schools of this state and for the purpose of developing a more racially, ethnically, and culturally diverse student body at such public bodies at the state's public postsecondary educational institutions;

(b) That Black, American Indian, and Hispanic minority students attending the University of Nebraska, a state college, or a community college will be eligible to participate in the scholarship program supported pursuant to the Minority Scholarship Program Act, and the student diversity scholarship program be designed and implemented so as to achieve a greater racial, ethnic, and cultural diversity in student populations in fulfillment of the compelling interest found by the Legislature pursuant to subsection (1) of this section; and

(c) That all funds appropriated by the Legislature for minority student diversity scholarships at the University of Nebraska, the state colleges, and the community colleges shall be used in coordination with private donations for such scholarships and in consultation with the major donors thereof and in coordination with federal grant funds available to minority students at such institutions the University of Nebraska, the state colleges, and the community colleges so as to maximize the level of benefits and accomplish the purposes of the act, Student Diversity Scholarship Program Act.

Sec. 34. Section 85-9,179, Revised Statutes Cumulative Supplement, 2006, is amended to read:

85-9,179 (1) All funds appropriated by the Legislature for the Minority Student Diversity Scholarship Program Act shall be used to support endowed scholarship funds which shall be held, managed, and invested as authorized by section 72-1246 with only the income therefrom expended for scholarships.

(2) The purpose of such endowed scholarship funds is to provide total or partial undergraduate scholarships for tuition, fees, board and room, and books at all campuses of the University of Nebraska, the state colleges, and the community colleges to full-time undergraduate students from Black, American Indian, and Hispanic minority groups which are underrepresented in the student population of such public institutions who fulfill the criteria for award of a student diversity scholarship and who cannot afford such educational expenses due to lack of financial resources available to them.

Sec. 35. Section 85-9,180, Revised Statutes Cumulative Supplement, 2006, is amended to read:

85-9,180 ~~(1) Funds appropriated in years prior to fiscal year 2000-01 for the minority scholarship program supported pursuant to section 85-1,125 as such section existed prior to July 13, 2000, shall be used, administered, and distributed only for the benefit of students at the University of Nebraska in such manner as the Board of Regents of the University of Nebraska shall determine.~~

~~(2) (1) Funds appropriated for fiscal year 2000-01 and each fiscal year thereafter before fiscal year 2007-08 for the Minority Scholarship Program Act as it existed immediately prior to the operative date of this act shall be used for the benefit of students pursuant to the Minority Scholarship Program Act at the University of Nebraska, the state colleges, and the community colleges.~~

(2) Funds appropriated for fiscal year 2007-08 and each fiscal year thereafter for the Student Diversity Scholarship Program Act shall be used for the benefit of students pursuant to the Student Diversity Scholarship Program Act at the University of Nebraska, the state colleges, and the community colleges.

Sec. 36. Section 85-9,181, Revised Statutes Cumulative Supplement, 2006, is amended to read:

85-9,181 (1) Funds appropriated for the Minority Student Diversity Scholarship Program Act for the benefit of students at the University of Nebraska and students attending any community colleges who are enrolled in an associate degree program with the intention of transferring to the University of Nebraska shall be used, administered, and invested in such manner as the Board of Regents of the University of Nebraska, in consultation with the ~~boards~~ board of governors of each participating community college, shall determine.

(2) Funds appropriated for the Minority Student Diversity Scholarship Program Act for the benefit of students at the state colleges and students attending any community colleges who are enrolled in an associate



degree program with the intention of transferring to a state college shall be used, administered, and invested in such manner as the Board of Trustees of the Nebraska State Colleges, in consultation with the ~~boards~~ board of governors of each participating community college, shall determine.

Sec. 37. Section 85-9,182, Revised Statutes Cumulative Supplement, 2006, is amended to read:

85-9,182 ~~Awards~~ Criteria for the award of scholarships under the Minority Student Diversity Scholarship Program Act shall be determined by a committee selected by the Board of Regents of the University of Nebraska, the Board of Trustees of the Nebraska State Colleges, and the community college boards of governors. The committee shall include members of underrepresented minority groups and private donors to the endowed scholarship funds. Awards shall be consistent with the intent stated in the act and with the constitutions and laws of the United States and the State of Nebraska.

Sec. 38. Section 85-1416, Revised Statutes Cumulative Supplement, 2006, is amended to read:

85-1416 (1) Pursuant to the authority granted in Article VII, section 14, of the Constitution of Nebraska and the Coordinating Commission for Postsecondary Education Act, the commission shall, in accordance with the coordination function of the commission pursuant to section 85-1403, review and modify, if needed to promote compliance and consistency with the comprehensive statewide plan and prevent unnecessary duplication, the budget requests of the governing boards.

(2) (a) At least thirty days prior to submitting to the Governor their biennial budget requests pursuant to section 81-1113 and any major deficit appropriation requests pursuant to instructions of the Department of Administrative Services, the Board of Regents of the University of Nebraska and the Board of Trustees of the Nebraska State Colleges shall each submit to the commission an outline of its proposed operating budget. The outline of its proposed operating budget or outline of proposed state aid request shall include those information summaries provided to the institution's governing board describing the respective institution's budget for the next fiscal year or biennium. The outline shall contain projections of funds necessary for (i) the retention of current programs and services at current funding levels, (ii) any inflationary costs necessary to maintain current programs and services at the current programmatic or service levels, and (iii) proposed new and expanded programs and services. In addition to the outline, the commission may request an institution to provide to the commission any other supporting information to assist the commission in its budget review process. An institution may comply with such requests pursuant to section 85-1417.

(b) On September 15 of each biennial budget request year, the boards of governors of the community colleges or their designated representatives shall submit to the commission outlines of their proposed state aid requests pursuant to ~~sections 85-1536 and 85-1537.~~ the Community College Foundation and Equalization Aid Act.

(c) The commission shall analyze institutional budget priorities in light of the comprehensive statewide plan, role and mission assignments, and the goal of prevention of unnecessary duplication. The commission shall submit to the Governor and Legislature by October 15 of each year recommendations for approval or modification of the budget requests together with a rationale for its recommendations. The analysis and recommendations by the commission shall focus on budget requests for new and expanded programs and services and major statewide funding issues or initiatives as identified in the comprehensive statewide plan. If an institution does not comply with the commission's request pursuant to subdivision (a) of this subsection for additional budget information, the commission may so note the refusal and its specific information request in its report of budget recommendations. The commission shall also provide to the Governor and the Appropriations Committee of the Legislature on or before October 1 of each even-numbered year a report identifying public policy issues relating to student tuition and fees, including the appropriate relative differentials of tuition and fee levels between the sectors of public postsecondary education in the state consistent with the comprehensive statewide plan.

(3) At least thirty days prior to submitting to the Governor their biennial budget requests pursuant to section 81-1113 and any major deficit appropriation requests pursuant to instructions of the Department of Administrative Services, the Board of Regents of the University of Nebraska and the Board of Trustees of the Nebraska State Colleges shall each submit to the commission information the commission deems necessary regarding each board's capital construction budget requests. The commission shall review the capital construction budget request information and may recommend to the Governor and the Legislature modification, approval, or disapproval of

such requests consistent with the statewide facilities plan and any project approval determined pursuant to subsection (10) of section 85-1414 and to section 85-1415. The commission shall develop from a statewide perspective a unified prioritization of individual capital construction budget requests for which it has recommended approval and submit such prioritization to the Governor and the Legislature for their consideration. In establishing its prioritized list, the commission may consider and respond to the priority order established by the Board of Regents or the Board of Trustees in their respective capital construction budget requests.

(4) Nothing in this section shall be construed to affect other constitutional, statutory, or administrative requirements for the submission of budget or state aid requests by the governing boards to the Governor and the Legislature.

Sec. 39. Section 85-1418, Reissue Revised Statutes of Nebraska, is amended to read:

85-1418 (1) No state warrant shall be issued by the Department of Administrative Services or used by any public institution for the purpose of funding any program or capital construction project which has not been approved or which has been disapproved by the commission pursuant to the Coordinating Commission for Postsecondary Education Act. If state funding for any such program or project cannot be or is not divided into warrants separate from other programs or projects, the department shall reduce a warrant to the public institution which includes funding for the program or project by the amount of tax funds designated by the Legislature which are budgeted in that fiscal year by the public institution for use for the program or project.

(2) The department may reduce the amount of state aid distributed to a community college area pursuant to ~~sections 85-1536 and 85-1537~~ the Community College Foundation and Equalization Aid Act by the amount of funds used by the area to provide a program or capital construction project which has not been approved or which has been disapproved by the commission.

(3) The district court of Lancaster County shall have jurisdiction to enforce an order or decision of the commission entered pursuant to the Coordinating Commission for Postsecondary Education Act and to enforce this section.

(4) Any person or public institution aggrieved by a final order of the commission entered pursuant to section 85-1413, 85-1414, 85-1415, or 85-1416 shall be entitled to judicial review of the order. Proceedings for review shall be instituted by filing a petition in the district court of Lancaster County within thirty days after public notice of the final decision by the commission is given. The filing of the petition or the service of summons upon the commission shall not stay enforcement of such order. The review shall be conducted by the court without a jury on the record of the commission. The court shall have jurisdiction to enjoin enforcement of any order of the commission which is (a) in violation of constitutional provisions, (b) in excess of the constitutional or statutory authority of the commission, (c) made upon unlawful procedure, or (d) affected by other error of law.

(5) A party may secure a review of any final judgment of the district court by appeal to the Court of Appeals. Such appeal shall be taken in the manner provided by law for appeals in civil cases and shall be heard de novo on the record.

Sec. 40. Section 85-1503, Revised Statutes Cumulative Supplement, 2006, is amended to read:

85-1503 For purposes of sections 85-1501 to 85-1540, unless the context otherwise requires:

(1) Community college ~~shall mean~~ means an educational institution operating and offering programs pursuant to such sections;

(2) Community college area ~~shall mean~~ means an area established by section 85-1504;

(3) Board ~~shall mean~~ means the Community College Board of Governors for each community college area;

(4) Full-time equivalent student ~~shall mean,~~ means, in the aggregate, the equivalent of a registered student who in a twelve-month period is enrolled in (a) thirty semester credit hours or forty-five quarter credit hours of classroom, laboratory, clinical, practicum, or independent study course work or cooperative work experience or (b) nine hundred contact hours of classroom or laboratory course work for which credit hours are not offered or awarded. Avocational and recreational community service programs or courses ~~shall not be~~ are not included in determining full-time equivalent students or student enrollment;

(5) Contact hour ~~shall mean~~ means an educational activity consisting of sixty minutes minus break time and required time to change classes;

(6) Credit hour ~~shall mean~~ means the unit used to ascertain the educational value of course work offered by the institution to students enrolling for such course work, earned by such students upon successful completion of such course work, and for which tuition is charged. A credit hour may be offered and earned in any of several instructional delivery systems, including, but not limited to, classroom hours, laboratory hours, clinical hours, practicum hours, cooperative work experience, and independent study. A credit hour shall consist of a minimum of: (a) Ten quarter or fifteen semester classroom contact hours per term of enrollment; (b) twenty quarter or thirty semester academic transfer and academic support laboratory hours per term of enrollment; (c) thirty quarter or forty-five semester vocational laboratory hours per term of enrollment; (d) thirty quarter or forty-five semester clinical or practicum contact hours per term of enrollment; or (e) forty quarter or sixty semester cooperative work experience contact hours per term of enrollment. An institution may include in a credit hour more classroom, laboratory, clinical, practicum, or cooperative work experience hours than the minimum required in this subdivision. The institution shall publish in its catalog, or otherwise make known to the student in writing prior to the student enrolling or paying tuition for any courses, the number of credit or contact hours offered in each such course. Such published credit or contact hour offerings shall be used to determine whether a student is a full-time equivalent student pursuant to subdivision (4) of this section;

(7) Classroom hour ~~shall mean~~ means a minimum of fifty minutes of formalized instruction on campus or off campus in which a qualified instructor applying any combination of instructional methods such as lecture, directed discussion, demonstration, or the presentation of audiovisual materials is responsible for providing an educational experience to students;

(8) Laboratory hour ~~shall mean~~ means a minimum of fifty minutes of educational activity on campus or off campus in which students conduct experiments, perfect skills, or practice procedures under the direction of a qualified instructor;

(9) Clinical hour ~~shall mean~~ means a minimum of fifty minutes of educational activity on campus or off campus during which the student is assigned practical experience under constant supervision at a health-related agency, receives individual instruction in the performance of a particular function, and is observed and critiqued in the repeat performance of such function. Adjunct professional personnel, who may or may not be paid by the college, may be used for the directed supervision of students and for the delivery of part of the didactic phase of the experience;

(10) Practicum hour ~~shall mean~~ means a minimum of fifty minutes of educational activity on campus or off campus during which the student is assigned practical experiences, receives individual instruction in the performance of a particular function, and is observed and critiqued by an instructor in the repeat performance of such function. Adjunct professional personnel, who may or may not be paid by the college, may be used for the directed supervision of the students;

(11) Cooperative work experience ~~shall mean~~ means an internship or on-the-job training, designed to provide specialized skills and educational experiences, which is coordinated, supervised, observed, and evaluated by qualified college staff or faculty and may be completed on campus or off campus, depending on the nature of the arrangement;

(12) Independent study ~~shall mean~~ means an arrangement between an instructor and a student in which the instructor is responsible for assigning work activity or skill objectives to the student, personally providing needed instruction, assessing the student's progress, and assigning a final grade. Credit hours shall be assigned according to the practice of assigning credits in similar courses;

(13) Full-time equivalent student enrollment total ~~shall mean~~ means the total of full-time equivalent students enrolled in a community college in any fiscal year;

(14) General academic transfer course ~~shall mean~~ means a course offering in a one-year or two-year degree-credit program, at the associate degree level or below, intended by the offering institution for transfer into a baccalaureate program. The completion of the specified courses in a general academic transfer program may include the award of a formal degree;

(15) Applied technology or occupational course ~~shall mean~~ means a course offering in an instructional program, at the associate degree level or below, intended to prepare individuals for immediate entry into a specific occupation or career. The primary intent of the institutions offering an applied technology or occupational program shall be that such program is for immediate job entry. The completion of the specified courses in an applied technology or occupational program may include the award of a formal degree,

diploma, or certificate;

(16) Academic support course ~~shall mean~~ means a general education academic course offering which may be necessary to support an applied technology or occupational program;

(17) Class 1 course ~~shall mean~~ means an applied technology or occupational course offering which requires the use of equipment, facilities, or instructional methods easily adaptable for use in a general academic transfer program classroom or laboratory;

(18) Class 2 course ~~shall mean~~ means an applied technology or occupational course offering which requires the use of specialized equipment, facilities, or instructional methods not easily adaptable for use in a general academic transfer program classroom or laboratory;

~~(19) Reported aid equivalent student shall mean a full-time equivalent student subject to the following limitations:~~

~~(a) The number of credit hours which can be counted for each student per semester or quarter shall be limited to eighteen credit hours;~~

~~(b) For students enrolled for more than eighteen credit hours, credit hours for each course shall be prorated as the eighteen-credit-hour limit is to the student's total credit hours for the semester or quarter;~~

~~(c) The credit-hour limit for a special instructional term shall be prorated on the same ratio that a fifteen-week term is to eighteen semester credit hours or a ten-week term is to eighteen quarter credit hours; and~~

~~(d) (19) Full-time equivalent student means a full-time equivalent student subject to the following limitation: The number of credit and contact hours which shall be counted by any community college area in which a tribally controlled community college is located shall include credit and contact hours awarded by such tribally controlled community college to students for which such institution received no federal reimbursement pursuant to the Tribally Controlled Community College Assistance Act, 25 U.S.C. 1801;~~

(20) Reported aid Full-time equivalent total shall mean means the total of all reported aid full-time equivalents accumulated in a community college area in any fiscal year;

(21) Reimbursable educational unit shall mean means a reported aid full-time equivalent student multiplied by (a) for a general academic transfer course or an academic support course, a factor of one, (b) for a Class 1 course, a factor of one and fifty-hundredths, (c) for a Class 2 course, a factor of one and eight-tenths for fiscal year 1995-96 and for the three-year averages, a factor of one and nine-tenths for fiscal year 1996-97 and for the three-year averages, and a factor of two for fiscal year 1997-98 and each fiscal year thereafter and for the three-year averages, two, (d) for a tribally controlled community college general academic transfer course or academic support course, a factor of two, (e) for a tribally controlled community college Class 1 course, a factor of three, and (f) for a tribally controlled community college Class 2 course, a factor of three and six-tenths for fiscal year 1995-96 and for the three-year averages, a factor of three and eight-tenths for fiscal year 1996-97 and for the three-year averages, and a factor of four for fiscal year 1997-98 and each fiscal year thereafter and for the three-year averages, four;

(22) Reimbursable educational unit total shall mean means the total of all reimbursable educational units accumulated in a community college area in any fiscal year;

(23) Special instructional term shall mean means any term which is less than fifteen weeks for community colleges using semesters or ten weeks for community colleges using quarters;

(24) Statewide reimbursable ~~reported aid~~ full-time equivalent total shall mean means the total of all reimbursable ~~reported aid~~ full-time equivalents accumulated statewide for the community college in any fiscal year;

(25) Tribally controlled community college shall mean means an educational institution operating and offering programs pursuant to the Tribally Controlled Community College Assistance Act, 25 U.S.C. 1801; and

(26) Tribally controlled community college state aid amount shall mean means the quotient of the amount of state aid to be distributed pursuant to ~~sections 85-1536 and 85-1537~~ the Community College Foundation and Equalization Aid Act for the current fiscal year to a community college area in which a tribally controlled community college is located divided by ~~the average of the reimbursable educational unit totals~~ total for such community college area for the immediately preceding ~~three fiscal years,~~ fiscal year, with such quotient then multiplied by the average reimbursable educational units derived pursuant to subdivision ~~(19)(d)~~ (19) of this section for the immediately preceding ~~three fiscal years,~~ fiscal year.

Sec. 41. Section 85-1511, Reissue Revised Statutes of Nebraska, is

amended to read:

85-1511 In addition to any other powers and duties imposed upon the community college system or its areas, campuses, or boards by the Community College Foundation and Equalization Aid Act, sections 85-917 to 85-966 and 85-1501 to 85-1540, and any other provision of law, each board shall:

(1) Have general supervision, control, and operation of each community college within its jurisdiction;

(2) Subject to coordination by the Coordinating Commission for Postsecondary Education as prescribed in the Coordinating Commission for Postsecondary Education Act, develop and offer programs of applied technology education, academic transfer programs, academic support courses, and such other programs and courses as the needs of the community college area served may require. The board shall avoid unnecessary duplication of existing programs and courses in meeting the needs of the students and the community college area;

(3) Employ, for a period to be fixed by the board, executive officers, members of the faculty, and such other administrative officers and employees as may be necessary or appropriate and fix their salaries and duties;

(4) Subject to coordination by the Coordinating Commission for Postsecondary Education as prescribed in the Coordinating Commission for Postsecondary Education Act, construct, lease, purchase, purchase on contract, operate, equip, and maintain facilities;

(5) Contract for services connected with the operation of the community college area as needs and interest demand;

(6) Cause an examination and comprehensive audit of the books, accounts, records, and affairs, including full-time equivalent student enrollment totals, ~~reported aid~~ full-time equivalent totals, and reimbursable educational unit totals as defined in section 85-1503, to be made annually covering the most recently completed fiscal year. The audit of each area shall include the full-time equivalent student enrollment totals, ~~reported aid~~ full-time equivalent totals, and reimbursable educational unit totals for the three most recently completed fiscal years which shall be used for calculation of aid to the community college areas as prescribed in ~~section 85-1536.~~ the Community College Foundation and Equalization Aid Act. The audit shall also include the county-certified property valuations for the community college area for the three most recently completed fiscal years which shall be used for calculation of aid to such community college areas. Such examination and audit of the books, accounts, records, and affairs shall be completed and filed with the Auditor of Public Accounts and the Department of Administrative Services on or before October 15 of each year. The examination and audit of the full-time equivalent student enrollment totals, ~~reported aid~~ full-time equivalent totals, and reimbursable educational unit totals shall be completed and filed with the Auditor of Public Accounts and the Department of Administrative Services on or before August 15 of each year;

(7) Establish fees and charges for the facilities authorized by sections 85-1501 to 85-1540. Each board may enter into agreements with owners of facilities to be used for housing regarding the management, operation, and government of such facilities and may employ necessary employees to govern, manage, and operate such facilities;

(8) Receive such gifts, grants, conveyances, and bequests of real and personal property from public or private sources as may be made from time to time, in trust or otherwise, whenever the terms and conditions thereof will aid in carrying out the community college programs as specified by law. Each board may sell, lease, exchange, invest, or expend such gifts, grants, conveyances, and bequests or the proceeds, rents, profits, and income therefrom according to the terms and conditions thereof and adopt and promulgate rules and regulations governing the receipt and expenditure of such proceeds, rents, profits, and income, except that acceptance of such gifts, grants, or conveyances shall not be conditioned on matching state or local funds;

(9) Prescribe the courses of study for any community college under its control and publish such catalogs and bulletins as may be necessary;

(10) Grant to every student upon graduation or completion of a course of study a suitable diploma, associate degree, or certificate;

(11) Adopt and promulgate such rules and regulations and perform all other acts as the board may deem necessary or appropriate to the administration of the community college area. Such rules and regulations shall include, but not be limited to, rules and regulations relating to facilities, housing, scholarships, discipline, and pedestrian and vehicular traffic on property owned, operated, or maintained by the community college area;

(12) Employ, for a period to be fixed by the board, an executive

officer for the community college area and, by written order filed in its office, delegate to such executive officer any of the powers and duties vested in or imposed upon it by sections 85-1501 to 85-1540. Such delegated powers and duties may be exercised in the name of the board;

(13) Acquire real property by eminent domain pursuant to sections 76-701 to 76-724;

(14) Acquire real and personal property and sell, convey, or lease such property whenever the community college area will be benefited thereby. The sale, conveyance, or lease of any real estate owned by a community college area shall be effective only when authorized by an affirmative vote of at least two-thirds of all the members of the board;

(15) Enter into agreements for services, facilities, or equipment and for the presentation of courses for students when such agreements are deemed to be in the best interests of the education of the students involved;

(16) Transfer tribally controlled community college state aid amounts to a tribally controlled community college located within its community college area;

(17) Invest, after proper consideration of the requirements for the availability of money, funds of the community college in securities the nature of which individuals of prudence, discretion, and intelligence acquire or retain in dealing with the property of another;

(18) Establish tuition rates for courses of instruction offered by each community college within its community college area. Separate tuition rates shall be established for students who are nonresidents of the State of Nebraska;

(19) Establish a fiscal year for the community college area which conforms to the fiscal year of the state; and

(20) Exercise any other powers, duties, and responsibilities necessary to carry out sections 85-1501 to 85-1540.

Sec. 42. Section 85-1517, Revised Statutes Cumulative Supplement, 2006, is amended to read:

85-1517 (1) The board may certify to the county board of equalization of each county within the community college area a tax levy not to exceed ~~six cents~~ the maximum levy calculated pursuant to the Community College Foundation and Equalization Aid Act on each one hundred dollars on the taxable valuation of all property subject to the levy within the community college area, uniform throughout such area, for the purpose of supporting operating expenditures of the community college area.

(2)(a) In addition to the levies provided in subsection (1) of this section and this subsection, the board may certify to the county board of equalization of each county within the community college area a tax levy of not to exceed one cent on each one hundred dollars on the taxable valuation of all property within the community college area, uniform throughout such area, for the purpose of establishing a capital improvement fund and bond sinking fund as provided in section 85-1515.

(b) In addition to the levies provided in subsection (1) of this section and this subsection, the board may also certify to the county board of equalization of each county within the community college area a tax levy on each one hundred dollars on the taxable valuation of all property within the community college area, uniform throughout such area, in the amount which will produce funds only in the amount necessary to pay for funding accessibility barrier elimination project costs and abatement of environmental hazards as such terms are defined in section 79-10,110. Such tax levy shall not be so certified unless approved by an affirmative vote of a majority of the board taken at a public meeting of the board following notice and a hearing. The board shall give at least seven days' notice of such public hearing and shall publish such notice once in a newspaper of general circulation in the area to be affected by the increase.

(c) In addition to the levies provided in subsection (1) of this section and this subsection, the board of any community college area whose valuation per ~~reported aid~~ full-time equivalent student was less than eighty-two percent of the statewide average of all community colleges for fiscal year 1997-98 may also certify to the county board of equalization of each county within the community college area a tax levy up to an additional one-half cent for each of fiscal years 2005-06 and 2006-07, on each one hundred dollars on the taxable valuation of all property within the community college area, uniform throughout such area. Such tax levy shall not be so certified unless approved by an affirmative vote of three-fourths of the board taken at a public meeting of the board following notice and a hearing. The board shall give at least seven days' notice of such public hearing and shall publish such notice once in a newspaper of general circulation in the area to be affected by the increase.

(3) The levy provided by subdivision (2)(a) of this section may be exceeded by that amount necessary to retire the general obligation bonds assumed by the community college area or issued pursuant to section 85-1515 according to the terms of such bonds or for any obligation pursuant to section 85-1535 entered into prior to January 1, 1997.

(4) The tax shall be levied and assessed in the same manner as other property taxes and entered on the books of the county treasurer. The proceeds of the tax, as collected, shall be remitted to the treasurer of the board not less frequently than once each month.

Sec. 43. Section 85-1903, Revised Statutes Cumulative Supplement, 2006, is amended to read:

85-1903 Award means a grant of money by the commission to an eligible student for educational expenses. Awards shall not exceed:

(1) For award years prior to the 2007-08 award year, fifty percent of the tuition and mandatory fees for a full-time, resident, undergraduate student for the last completed award year at the University of Nebraska-Lincoln; and ~~+(a) For students who received an award from the Postsecondary Education Award Program Act, the Scholarship Assistance Program Act, or the State Scholarship Award Program Act for the 2002-03 award year, the greater of the total awards received by the student pursuant to such acts for the 2002-03 award year or one-half of the tuition and mandatory fees for a full-time, resident, undergraduate student for the last completed award year at the University of Nebraska-Lincoln; or (b) For students who did not receive an award from the Postsecondary Education Award Program Act, the Scholarship Assistance Program Act, or the State Scholarship Award Program Act for the 2002-03 award year, one-half of the tuition and mandatory fees for a full-time, resident, undergraduate student for the last completed award year at the University of Nebraska-Lincoln; and~~

(2) For the ~~2007-08~~ 2008-09 award year and each award year thereafter, twenty-five percent of the tuition and mandatory fees for a full-time, resident, undergraduate student for the last completed award year at the University of Nebraska-Lincoln.

Sec. 44. This act becomes operative on July 1, 2007.

Sec. 45. Original sections 85-1418, 85-1511, 85-1536, and 85-1538, Reissue Revised Statutes of Nebraska, and sections 13-518, 77-3442, 85-9,177, 85-9,178, 85-9,179, 85-9,180, 85-9,181, 85-9,182, 85-1416, 85-1503, 85-1517, and 85-1903, Revised Statutes Cumulative Supplement, 2006, are repealed.

Sec. 46. The following sections are outright repealed: Section 85-1537, Reissue Revised Statutes of Nebraska, and section 85-1536.01, Revised Statutes Cumulative Supplement, 2006.

Sec. 47. Since an emergency exists, this act takes effect when passed and approved according to law.