

AMENDMENTS TO LB 1100

Introduced by Education.

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. The Nebraska Teacher Trust Fund is created. On
4 and after the effective date of this act, the fund shall consist
5 of two hundred million dollars of the Cash Reserve Fund. Such
6 two hundred million dollars shall remain in the Cash Reserve Fund
7 and remain a part thereof for all purposes, except that interest
8 earned on the two hundred million dollars deemed to constitute
9 the Nebraska Teacher Trust Fund shall accrue to the Professional
10 Teacher Knowledge and Skills Compensation Cash Fund as provided in
11 section 84-613. The Nebraska Teacher Trust Fund shall be a separate
12 state trust fund administered by the State Treasurer. Any money in
13 the Nebraska Teacher Trust Fund available for investment shall be
14 invested by the state investment officer pursuant to the Nebraska
15 Capital Expansion Act and the Nebraska State Funds Investment Act.

16 Sec. 2. The Professional Teacher Knowledge and Skills
17 Compensation Cash Fund is created in the State Department of
18 Education. The fund shall consist of the interest, earnings, and
19 proceeds from the Nebraska Teacher Trust Fund. Money in the fund
20 shall be distributed by the State Board of Education in the form of
21 grants awarded pursuant to the Professional Teacher Knowledge and
22 Skills Compensation Pilot Program. Any money in the fund available
23 for investment shall be invested by the state investment officer

1 pursuant to the Nebraska Capital Expansion Act and the Nebraska
2 State Funds Investment Act.

3 Sec. 3. The Professional Teacher Knowledge and Skills
4 Compensation Pilot Program is created as provided in sections 3
5 to 10 of this act. The program shall be administered by the State
6 Department of Education. The purpose of the program is to develop
7 and evaluate alternative teacher compensation models for teachers
8 in the public school system.

9 Sec. 4. On or before October 15, 2008, a school district
10 may apply to the State Department of Education for a performance
11 and skills compensation plan development grant to support planning
12 and research for and development of a compensation plan that
13 rewards teacher performance, knowledge, and skills. The application
14 shall be on forms provided by the department and shall include a
15 signed agreement between the school board of the applicant school
16 district and the collective bargaining unit representing teachers
17 in the applicant school district, which agreement shall set out
18 the goals, criteria, and research design for the compensation plan
19 development proposal. The application may include all teachers in
20 the school district or teachers at specified school buildings in
21 the district. Teacher participation in activities funded by a grant
22 under this section shall be voluntary and shall include a stipend
23 or release time from regular classroom teaching responsibilities.

24 Sec. 5. On or before October 15, 2008, the State Board
25 of Education shall award a maximum of ten performance and skills
26 compensation plan development grants to school districts which
27 apply under section 4 of this act. At least half of such

1 grants shall be awarded to school districts with identified high
2 levels of students in poverty and students with English language
3 learning deficits. At least one grant shall be awarded to a school
4 participating in a learning community as certified by the State
5 Department of Education pursuant to section 79-2102, and at least
6 one grant shall be awarded to a school district designated as
7 sparse or very sparse as such terms are defined in section 79-1003.

8 A school district may receive only one grant. Grants
9 shall be not less than twenty-five thousand dollars and not more
10 than seventy-five thousand dollars, based on the scope of the
11 plan development program described in the grant application. Grant
12 periods shall be not less than six months and not more than two
13 years.

14 Sec. 6. At the end of the grant period described in
15 section 7 of this act, a school district that has received a
16 grant pursuant to such section shall submit its performance and
17 skills compensation plan to the State Department of Education for
18 evaluation. After submitting such plan, the school district may
19 apply for a pilot implementation grant. To be eligible to receive a
20 pilot implementation grant, the district shall demonstrate that it
21 meets the following minimum requirements:

22 (1) Teacher salaries at the school receiving the pilot
23 implementation grant are competitive with school districts of
24 similar size within a geographically proximate area;

25 (2) The school district's expenditures for teacher
26 salaries make up at least fifty percent of the district's general
27 fund expenditures as reported on the most currently available

1 annual financial report under section 79-528;

2 (3) The school board and the collective bargaining
3 unit representing teachers in the applicant school district have
4 signed an agreement to implement a pilot performance and skills
5 compensation plan for a period of not less than three and not more
6 than five school years; and

7 (4) Letters of support from community and business
8 leaders accompany the application for pilot implementation grant.

9 Sec. 7. The State Board of Education shall award a
10 maximum of ten pilot implementation grants under section 6 of
11 this act. Such grants shall provide state funding for supplemental
12 performance and skill compensation for participating teachers.
13 Each grant shall be not less than seventy-five thousand dollars
14 and not more than one million dollars for each year of the
15 grant period, based upon the scope of the pilot performance and
16 skills compensation program and the number of teachers expected
17 to participate in such program. Grants may include all teachers
18 in the school district or teachers at specified school buildings
19 in the school district. Teacher participation shall be voluntary
20 as provided in section 9 of this act. At least half of such
21 grants shall be awarded to districts with identified high levels
22 of students in poverty and students with English language learning
23 deficits. At least one grant shall be awarded to a low-income
24 school district or to a school participating in a learning
25 community certified by the State Department of Education pursuant
26 to section 79-2102, and at least one grant shall be awarded to a
27 school district designated as sparse or very sparse as such terms

1 are defined in section 79-1003.

2 Sec. 8. Grant funds awarded under section 7 of this act
3 shall be used exclusively for supplemental salaries for eligible
4 teachers. School districts receiving such grants shall not use
5 grant funds in any way to supplant or replace local funding for
6 teacher salaries. A portion of the grant funding may be used to pay
7 required employer payroll tax and retirement contributions.

8 Sec. 9. Participation by teachers in a pilot performance
9 and skills compensation program receiving a grant under section 5
10 of this act shall be voluntary, and lack of participation in the
11 program shall not otherwise negatively impact the compensation of
12 teachers that choose not to participate in the program.

13 Sec. 10. (1) On or before October 15, 2011, and on
14 or before October 15, 2013, the State Department of Education
15 shall report to the Legislature, evaluating the impact of the
16 Professional Teacher Knowledge and Skills Compensation Pilot
17 Program.

18 (2) The report shall include, but not be limited to, the
19 following considerations:

20 (a) Impact on student achievement gaps;

21 (b) Impact on teacher recruitment and retention;

22 (c) Impact on collective bargaining relationships;

23 (d) Impact on teachers' skills and knowledge; and

24 (e) Impact on teacher compensation.

25 (3) The report shall include recommendations to the
26 Legislature relating to:

27 (a) Continuation of the grant program;

- 1 (b) Expansion of the grant program;
- 2 (c) Discontinuation of the grant program; or
- 3 (d) Implementation of a statewide professional teacher
- 4 performance and skills compensation program for providing
- 5 supplemental compensation to teachers, including plans for
- 6 transition of an ongoing program into the Tax Equity and
- 7 Educational Opportunities Support Act as an adjustment factor and
- 8 an allowance.

9 Sec. 11. Section 15, Legislative Bill 988, One Hundredth
10 Legislature, Second Session, 2008, is amended to read:

11 The department shall calculate a special receipts
12 allowance for each district equal to the amount of special
13 education, state ward, and accelerated or differentiated curriculum
14 program receipts and grant funds received under the Professional
15 Teacher Knowledge and Skills Compensation Pilot Program included in
16 local system formula resources under subdivisions (7), (8), (16),
17 and (17), and (18) of section 79-1018.01 attributable to the school
18 district.

19 Sec. 12. Section 79-1018.01, Revised Statutes Supplement,
20 2007, as amended by section 40, Legislative Bill 988, One Hundredth
21 Legislature, Second Session, 2008, is amended to read:

22 79-1018.01 Except as otherwise provided in this section,
23 local system formula resources include other actual receipts
24 available for the funding of general fund operating expenditures
25 as determined by the department for the second school fiscal
26 year immediately preceding the school fiscal year in which aid
27 is to be paid. Receipts from the Community Improvements Cash Fund

1 and receipts acquired pursuant to the Low-Level Radioactive Waste
2 Disposal Act shall not be included. Other actual receipts include:

- 3 (1) Public power district sales tax revenue;
4 (2) Fines and license fees;
5 (3) Tuition receipts from individuals, other districts,
6 or any other source except receipts derived from adult education,
7 receipts derived from summer school tuition, receipts derived from
8 early childhood education tuition, and receipts from educational
9 entities as defined in section 79-1201.01 for providing distance
10 education courses through the Distance Education Council until July
11 1, 2008, and the Educational Service Unit Coordinating Council on
12 and after July 1, 2008, to such educational entities;

- 13 (4) Transportation receipts;
14 (5) Interest on investments;
15 (6) Other miscellaneous noncategorical local receipts,
16 not including receipts from private foundations, individuals,
17 associations, or charitable organizations;

- 18 (7) Special education receipts;
19 (8) Special education receipts and non-special education
20 receipts from the state for wards of the court and wards of the
21 state;

- 22 (9) All receipts from the temporary school fund.
23 Beginning with the calculation of aid for school fiscal year
24 2002-03 and each school fiscal year thereafter, receipts from
25 the temporary school fund shall only include receipts pursuant
26 to section 79-1035 and the receipt of funds pursuant to section
27 79-1036 for property leased for a public purpose as set forth in

1 subdivision (1) (a) of section 77-202;

2 (10) Motor vehicle tax receipts received on or after
3 January 1, 1998;

4 (11) Pro rata motor vehicle license fee receipts;

5 (12) Other miscellaneous state receipts excluding revenue
6 from the textbook loan program authorized by section 79-734;

7 (13) Impact aid entitlements for the school fiscal year
8 which have actually been received by the district to the extent
9 allowed by federal law;

10 (14) All other noncategorical federal receipts;

11 (15) All receipts pursuant to the enrollment option
12 program under sections 79-232 to 79-246;

13 (16) Receipts under the federal Medicare Catastrophic
14 Coverage Act of 1988, as such act existed on May 8, 2001, as
15 authorized pursuant to sections 43-2510 and 43-2511 but only to the
16 extent of the amount the local system would have otherwise received
17 pursuant to the Special Education Act; and

18 (17) Receipts for accelerated or differentiated
19 curriculum programs pursuant to sections 79-1106 to 79-1108.03;
20 and-

21 (18) Receipts from grants received pursuant to the
22 Professional Teacher Knowledge and Skills Compensation Pilot
23 Program.

24 Sec. 13. Section 84-612, Revised Statutes Supplement,
25 2007, is amended to read:

26 84-612 (1) There is hereby created within the state
27 treasury a fund known as the Cash Reserve Fund which shall be under

1 the direction of the State Treasurer. The fund shall only be used
2 pursuant to this section.

3 (2) The State Treasurer shall transfer funds from the
4 Cash Reserve Fund to the General Fund upon certification by the
5 Director of Administrative Services that the current cash balance
6 in the General Fund is inadequate to meet current obligations. Such
7 certification shall include the dollar amount to be transferred.
8 Any transfers made pursuant to this subsection shall be reversed
9 upon notification by the Director of Administrative Services that
10 sufficient funds are available.

11 (3) The State Treasurer, at the direction of the
12 budget administrator of the budget division of the Department
13 of Administrative Services, shall transfer such amounts not to
14 exceed seven million seven hundred fifty-three thousand two hundred
15 sixty-three dollars in total from the Cash Reserve Fund to the
16 Nebraska Capital Construction Fund between July 1, 2003, and June
17 30, 2007.

18 (4) The State Treasurer, at the direction of the budget
19 administrator, shall transfer an amount equal to the total amount
20 transferred pursuant to subsection (3) of this section from the
21 General Fund to the Cash Reserve Fund on or before June 30, 2008.

22 (5) In addition to receiving transfers from other funds,
23 the Cash Reserve Fund shall receive federal funds received by the
24 State of Nebraska for undesignated general government purposes,
25 federal revenue sharing, or general fiscal relief of the state.

26 (6) On June 15, 2007, the State Treasurer shall transfer
27 fifteen million six hundred seventy-four thousand one hundred seven

1 dollars from the Cash Reserve Fund to the General Fund.

2 (7) On June 16, 2008, the State Treasurer shall transfer
3 seventeen million nine hundred thirty-one thousand thirty dollars
4 from the Cash Reserve Fund to the General Fund.

5 (8) On June 15, 2009, the State Treasurer shall transfer
6 four million nine hundred ninety thousand five hundred five dollars
7 from the Cash Reserve Fund to the General Fund.

8 (9) On or before June 16, 2008, the State Treasurer, at
9 the direction of the budget administrator, shall transfer fifty
10 million dollars from the Cash Reserve Fund to the General Fund.

11 (10) On or before June 16, 2009, the State Treasurer,
12 at the direction of the budget administrator, shall transfer fifty
13 million dollars from the Cash Reserve Fund to the General Fund.

14 (11) From the effective date of an endowment agreement
15 as defined in subdivision (3)(c) of section 79-1101 until June
16 30, 2007, forty million dollars of the Cash Reserve Fund shall be
17 deemed to constitute the Early Childhood Education Endowment Fund.
18 Such funds shall remain part of the Cash Reserve Fund for all
19 purposes, except that the interest earned on such forty million
20 dollars shall accrue as provided in section 84-613.

21 (12) The State Treasurer, at the direction of the budget
22 administrator, shall transfer such amounts, as certified by the
23 Director of Administrative Services, for employee health insurance
24 claims and expenses, not to exceed twelve million dollars in total
25 from the Cash Reserve Fund to the State Employees Insurance Fund
26 between May 1, 2007, and June 30, 2011.

27 (13) On July 9, 2007, the State Treasurer shall transfer

1 twelve million dollars from the Cash Reserve Fund to the Nebraska
2 Capital Construction Fund.

3 (14) On July 9, 2007, the State Treasurer shall transfer
4 five million dollars from the Cash Reserve Fund to the Job Training
5 Cash Fund. The State Treasurer shall transfer from the Job Training
6 Cash Fund to the Cash Reserve Fund such amounts as directed in
7 section 81-1201.21.

8 (15) On July 7, 2008, the State Treasurer shall transfer
9 five million dollars from the Cash Reserve Fund to the Job Training
10 Cash Fund. The State Treasurer shall transfer from the Job Training
11 Cash Fund to the Cash Reserve Fund such amounts as directed in
12 section 81-1201.21.

13 (16) On or before August 1, 2007, the State Treasurer,
14 at the direction of the budget administrator, shall transfer
15 seventy-five million dollars from the Cash Reserve Fund to the
16 Nebraska Capital Construction Fund.

17 (17) On or before June 30, 2009, the State Treasurer
18 shall transfer nine million five hundred ninety thousand dollars
19 from the Cash Reserve Fund to the Nebraska Capital Construction
20 Fund.

21 (18) The State Treasurer, at the direction of the budget
22 administrator, shall transfer an amount equal to the total amount
23 transferred pursuant to subsection (12) of this section from
24 the appropriate health insurance accounts of the State Employees
25 Insurance Fund in such amounts as certified by the Director of
26 Administrative Services to the Cash Reserve Fund on or before June
27 30, 2011.

1 (19) On July 9, 2007, the State Treasurer shall
2 transfer one million dollars from the Cash Reserve Fund to the
3 Microenterprise Development Cash Fund.

4 (20) On July 9, 2007, the State Treasurer shall transfer
5 two hundred fifty thousand dollars from the Cash Reserve Fund to
6 the Building Entrepreneurial Communities Cash Fund.

7 (21) On July 7, 2008, the State Treasurer shall
8 transfer one million dollars from the Cash Reserve Fund to the
9 Microenterprise Development Cash Fund.

10 (22) On July 7, 2008, the State Treasurer shall transfer
11 two hundred fifty thousand dollars from the Cash Reserve Fund to
12 the Building Entrepreneurial Communities Cash Fund.

13 (23) On and after the effective date of this act, two
14 hundred million dollars of the Cash Reserve Fund shall be deemed to
15 constitute the Nebraska Teacher Trust Fund. Such funds shall remain
16 part of the Cash Reserve Fund for all purposes, except that the
17 interest earned on such two hundred million dollars shall accrue as
18 provided in section 84-613.

19 Sec. 14. Section 84-613, Revised Statutes Supplement,
20 2007, is amended to read:

21 84-613 (1) Any money in the Cash Reserve Fund available
22 for investment shall be invested by the state investment officer
23 pursuant to the Nebraska Capital Expansion Act and the Nebraska
24 State Funds Investment Act.

25 (2) Until July 1, 2007, any interest earned by the
26 fund shall accrue to the General Fund, except for interest earned
27 on forty million dollars if such money is deemed to constitute

1 the Early Childhood Education Endowment Fund in accordance with
2 subsection (11) of section 84-612. From the effective date
3 of an endowment agreement as defined in subdivision (3)(c) of
4 section 79-1101 until June 30, 2007, interest earned on the forty
5 million dollars deemed to constitute the Early Childhood Education
6 Endowment Fund shall accrue to the Early Childhood Education
7 Endowment Cash Fund.

8 (3) Commencing July 1, 2007, any interest earned by the
9 Cash Reserve Fund shall accrue to the General Fund, except that
10 on and after the effective date of this act, interest earned on
11 two hundred million dollars of the fund deemed to constitute the
12 Nebraska Teacher Trust Fund in accordance with subsection (23) of
13 section 84-612 shall accrue to the Professional Teacher Knowledge
14 and Skills Compensation Cash Fund created in section 2 of this act.

15 Sec. 15. Original sections 84-612 and 84-613, Revised
16 Statutes Supplement, 2007, section 79-1018.01, Revised Statutes
17 Supplement, 2007, as amended by section 40, Legislative Bill 988,
18 One Hundredth Legislature, Second Session, 2008, and section 15,
19 Legislative Bill 988, One Hundredth Legislature, Second Session,
20 2008, are repealed.